FRANCHISE DISCLOSURE DOCUMENT

™

One Glow Franchise, LLC
A Texas Limited Liability Company
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We offer prospects the right to independently own and operate a business (each, a "Business") the features and provides (a) sauna sessions for relaxation, cleaning or other specialized purposes, including but not limited to chromotherapy, red light therapy and halotherapy, and (b) the health and wellness products we authorize for retail sale from the Business premises, all while operating under our then-current proprietary marks (the "Proprietary Marks") and utilizing our developed system of operations (the "System") that we license under current form of franchise agreement. We may also offer qualified parties the right to develop multiple franchised Businesses within a defined geographical area (the "Development Area") and in accordance with a development schedule (the "Development Schedule").

The total investment necessary to open and commence operation of a single franchised Business is $222,675 to $381,410, which includes $84,990 to $120,775 that is paid to us or our affiliate prior to the opening of your franchised Business.

The total investment necessary to operate multiple Businesses under our form of area development agreement depends on the number of franchises we grant you the right to open. By way of example, the total investment necessary to enter into a development agreement for the right to develop three (3) Businesses is $277,675 to $436,410, which includes (i) a $95,000 development fee that is paid to us, and (ii) your total investment to begin open your initial franchised Business.

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 Joshua Terzo, c/o One Glow Franchise, LLC, 5294 Belt Line Road, Suite 108, Dallas, Texas 75254, or at (847) 858-0699.

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: February 14, 2023.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
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 F 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 Franchised Business utilizing the Franchisor's marks 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 franchise 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 System franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experience.
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.

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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 that franchise or has verified the information in this document. To find out if your state has a registration requirements, 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.

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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 Texas. 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 Texas than in your own states.

2. **Short 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.

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

4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails. If you are an entity, then each of your owners and, at our option, their respective spouses must sign such a document.

5. **Mandatory Minimum Payments.** You must make minimum royalty payments and local expenditures regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

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

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language of this Disclosure Document, "Franchisor," "we," "us," or "our" refers to One Glow Franchise, LLC, the franchisor. "Franchisee," "you," or "your" refers to the franchisee who enters into a franchise agreement and, if applicable, development agreement with us. The franchisee may be a person, corporation, partnership, or limited liability company. If the franchisee is a corporation, partnership, limited liability company, or other entity, "you" and "your" includes the principals of the corporation, partnership, limited liability company, or other entity.

Franchisor

We are a Texas limited liability company formed on September 21, 2022, with a business address at 5294 Belt Line Road, Suite 108 Dallas, Texas 75254. We do business under our corporate name, as well as our then-current Proprietary Marks, including our current primary mark GLOW SAUNA STUDIOS™ of the Issue Date.

We commenced the offer and sale of franchises for the kind of franchised Business described in this franchise offering (each, a "Franchised Business"), as of the Issue Date of this Disclosure Document.

We grant franchises for the right to independently own and operate a franchised Business (the "Franchised Business") that actively promotes, offers, and provides infrared sauna sessions, chromotherapy, red light therapy, and halotherapy in a relaxing modern environment. The Business is operated from a location that we approve in writing (the "Premises") all while utilizing our then-current (a) Proprietary Marks, and (b) system of business operations we and our affiliates have developed for the development and operation of a Business (the "System").

As of the Issue Date, we are not the designated or approved supplier for any products or services that you are required to purchase in connection with your Franchised Business as of the Issue Date of this Disclosure Document, other than the training and other proprietary materials and services we provide and/or loan to you as part of any training we provide to you to fulfill our obligations to you under our franchise agreement. With that said, please note that we do reserve the right and may provide certain inventory and other products/services to our System franchisees as described more fully in Item 8.

We have not directly owned or operated any Businesses that operate in a substantially similar manner to the Franchised Business offered in this Disclosure Document.

As of the Issue Date, there are two (2) sauna studios open and operating in a substantially similar manner to the Franchised Business offered hereunder, that have operated under the mark GLOW SAUNA STUDIOS in or around the Dallas, Texas region since May 2019 and April 2022, respectively (each, an "Existing Business). These Existing Businesses are owned by an entity that is owned, in part, by the founder of our franchise system.

We have never offered franchises in any other line of business. Except as provided in this Item, we do not and have not engaged in any business activities or any other line of business other than as described in this Disclosure Document. Our agents for service of process are listed in Exhibit A.

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Predecessor(s), Parent(s), Affiliate(s)

We do not have any predecessors that require disclosure in this Item.

As of this Issuance Date, our parent is Glow Getter Holdings, LLC (our "Parent"), a Texas limited liability company formed on September 16, 2022 that shares a business address with us. As of the Issue Date, our Parent: (i) has not offered or sold franchises in any line of business; or (ii) is not involved in any other material business activities, except as provided in this Disclosure Document.

As of the Issue Date, we expect and intend to have our affiliate, Inner Glow Supply, LLC (our "Affiliate Supplier"), a Texas limited liability company, serve as the designated supplier for: (i) certain operational equipment that you must acquire and utilize to provide sauna treatments and other Approved Services at your Franchised Business (referred to as the "Operational Equipment Package"); and (ii) certain branded and/or proprietary items you are required to acquire and use or sell at your Franchised Business, prior to or after operations. Please see Item 8 of this Disclosure Document for additional information.

We do not have any other affiliates that require disclosure in this Item.

Neither our parent nor any of the affiliates disclosed above have: (i) offered franchises or licenses in any line of business; or (ii) directly owned and operated a business that is substantially similar to the franchise being offering in this Disclosure Document.

Description of the Franchised Business

Your Franchised Business will have the right to offer and provide: (i) the services we authorize in writing via the Manuals or otherwise, which as of the Issue Date, including but are not necessarily limited to: (a) sauna sessions, (b) chromotherapy sessions, (c) red light therapy, (d) halotherapy, and (e) other ancillary services we designate or otherwise approve (collectively, the "Approved Services"); and (ii) the designated lines of beauty and wellness products, as well as branded apparel and merchandise, and any other retail inventory we authorize for resale from the retail portion of your franchised Business (collectively, the "Approved Products").

Your Franchised Business will have a license to utilize the Proprietary Marks and System we designate from time to time and determine to license under the franchise agreement you enter into with us. We expect and intend that our Franchised Businesses will provide the majority of the Approved Services via an ongoing membership model with each client (each, a "Client" or "Customer"). As of the Issue Date, Franchised Businesses may also offer and sell: (i) single sauna therapy session(s) and/or "packages" comprised of a certain amount of sessions involving our sauna-related or other Approved Services, (ii) any merchandise and other retail products we approve for resale as part of the Approved Products, and (iii) gift card(s), as we set forth in our Initial Training Program, Manuals or otherwise in writing.

Each System franchisee must ensure that (a) all Approved Services are provided by Business personnel that has the appropriate licensing or other approval to provide such services under the applicable laws where the Franchised Business is located, (b) that the Franchisee has at least one (1) person managing the Franchised Business that has completed our Initial Training Program (whether provided by us or other management personnel that has completed this Program) at all times the franchised Business is open and providing the Approved Services, and (c) once the Initial Training Program has been completed, all personnel at the Business have been provided with the appropriate training associated with providing the Approved Services in accordance with our then-current System standards and brand specifications. Our standard franchise offering assumes that any personnel you engage will already have all appropriate

licensing required by the laws where your franchised Business is located prior to being engaged by your Franchised Business.

Our System is comprised of various proprietary and, in some cases, distinguishing elements such as: (i) proprietary methodology and procedures for the establishment and operating procedures of the Franchised Business; (i) instructions and System standards regarding the methodology used in providing certain of the Approved Services, as well as the sauna and other equipment that is utilized at the Business to provide such services (the "Operational Equipment Package"); (iii) existing relationships with suppliers of certain of the Approved Products, as well as various items and services you will need to purchase and/or utilize in connection with the establishment and/or ongoing operation of your Franchised Business (each, a "Required Item"); (iv) proprietary pre-opening and, as we determine appropriate, ongoing training; (v) site selection guidelines and criteria, as applicable, for the Franchised Business; (vi) standards and specifications for the design, layout and construction of the interior and exterior of a typical Business; (vii) standards and specifications associated with trade dress and décor of a typical Business; (viii) standards and specifications for the furniture, fixtures, Operational Equipment and other equipment/supplies that must be utilized in connection with the Franchised Business; (ix) established relationships with approved or designated suppliers for certain inventory and other supplies necessary to provide the Approved Services; and (x) standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. We may change, improve, further develop, or otherwise modify the System from time to time, as we deem appropriate in our discretion.

You must enter into our then-current form of franchise agreement for each Franchised Business we grant you are awarded (the "Franchise Agreement"). Our current form of Franchise Agreement is attached as Exhibit B. Your Franchise Agreement will typically designate a site selection area wherein you must secure a site we approve for your Franchised Business and to serve as your Premises (the "Site Selection Area"). You will not be permitted to operate your Franchised Business at any location other than your Premises, which will be identified on your data sheet once determined. After we have determined your Premises, we may assign you a designated territory ("Designated Territory") as disclosed more fully in Item 12 of this Disclosure Document.

Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple Franchised Businesses within a designated geographical area (the "Development Area") under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the "Development Agreement"), which will also outline a schedule or defined period of time in which you must open and commence operating each Franchised Business (a "Development Schedule"). You will be required to sign a Franchise Agreement for your initial Franchised Business at the same time you sign your Development Agreement. In addition, you will need to sign our then-current form of franchise agreement for each of the Franchised Businesses you open under the Development Schedule, which may differ from the current franchise agreement included with this Franchise Disclosure Document.

You will be required to pay us a one-time development fee that will be calculated based on the number of Franchised Businesses we grant you the right to open under the Development Agreement (the "Development Fee"), but you will not be required to pay us an initial franchise fee at the time you execute your franchise agreements for each Franchised Business we permit you to open under your Development Agreement.

Market and Competition

Your Franchised Business will offer the Approved Products that we authorize to the general public. The sale and provision of the Approved Services and/or Approved Products are not seasonal in nature. Your Franchised Business will primarily compete with other businesses that offer similar services and products to certain or all of the Approved Services and Approved Products.

As a general matter, the health and wellness industry is mature and competitive. You will compete with a range of health and wellness concepts in the U.S. that may offer a similar range of products and services as your Franchised Business, as well as other franchise concepts that are similar to the Franchised Business. Your competitive advantage in the marketplace will be based on your adherence to our standards and guidelines, your entrepreneurial and managerial abilities, focus on customer service and various other factors.

Industry Specific Laws and Regulations

Your Franchised Business will be subject to specific federal, state, and local laws and regulations that relate to the particular nature of the Business. It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

ITEM 2

BUSINESS EXPERIENCE

Joshua Terzo: Chief Executive Officer

Mr. Terzo is the founder of our franchise system and has served as our Chief Executive Officer since our inception. Josh has also served as founder and Chief Executive Officer of (a) WBV, and (b) Well Body TX 1, LLC, owner of the two (2) Existing Businesses, since June 2019 (both located in Texas). Prior to that time, Josh served as: (i) a Director of Strategy & M&A Services at KPMG LLP, reporting to the Dallas, Texas and Miami, Florida offices, from September 2018 through April 2021; and (ii) Senior Associate of Turnaround & Performance Improvement at Alvarez & Marsal LLC, reporting to the Chicago, Illinois and Denver, Colorado offices, from July 2014 through August 2018.

Clyde Murchison: Manager, Franchise Training

Mr. Murchison has served as our Manager of Franchise Training since our inception. Mr. Murchison has also served as the Manager of Sales & Operations of Well Body TX 1, LLC d/b/a Glow Sauna Studios since September 2022. Mr. Murchison was Team Lead, Sales & Operations of Well Body TX 1, LLC d/b/a Glow Sauna Studios since February 2022. Mr. Murchison was a Sales Associate of Well Body TX 1, LLC d/b/a Glow Sauna Studios since April 2021. Prior to that time, Mr. Murchison served as sales representative for Aramark in Nacogdoches, Texas from October 2018 through March 2021.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this disclosure document.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee amounting to $40,000 (the "Initial Franchise Fee") in a lump sum at the time you enter into your Franchise Agreement with us, which is deemed fully earned when paid and is non-refundable upon payment.

Operational Equipment Package

Required Item	Estimated Investment Range Prior to Opening	To Whom Amount is Paid
Operational Equipment Package	$43,415 to $69,500	Affiliate Supplier
Shipping/Freight Charges for Package Above (not installation))	$1,575 to $11,275	Affiliate Supplier (or its designee)

You must pay these amounts as invoiced by our Affiliate Supplier, which will be deemed fully earned and non-refundable upon payment.

Development Agreement: Development Fee

If we award you the right to develop two (2) or more Franchised Businesses within a given Development Area, you must pay us a one-time Development Fee upon execution of your Development Agreement.

Your Development Fee will depend on the number of Franchised Businesses we grant you the right to open within the Development Area, and is calculated as the sum of the following: (i) $40,000 for the first (1st) franchise you are awarded the right to develop; plus (ii) $30,000 for the second (2nd) franchise you are awarded the right to develop; plus (iii) $25,000 for the third (3rd) and each subsequent franchise you are awarded the right to develop, if and as applicable, under the agreement and within your Development Area (collectively, the "Development Fee").

You will be required to enter into our then-current form of franchise agreement for each Franchised Business you wish to open under your Development Agreement, but you will not be required to pay any

additional Initial Franchise Fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first initial Business we grant you the right to open within your Development Area concurrently with the Development Agreement. Your Development Fee will be deemed fully earned upon payment, and is not refundable under any circumstances.

Other Relevant Disclosures

Except as provided above in this Item, we expect and intend to impose the fees above uniformly on our new System franchisees.

ITEM 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	An amount equal to the greater of (a) 6% of the Gross Sales generating by your Franchised Business over the preceding reporting period, and (b) $1,000 per month (collectively, the "Royalty" or "Royalty Fee").	Currently, collected monthly on the 5th of the month for Gross Sales of the preceding calendar month.	Your Royalty Fee will begin once your Franchised Business opens. We may require you to pay your Royalty Fee and other reoccurring amounts via electronic funds transfer ("EFT"). Your minimum Royalty Fee will be waived during your first three (3) calendar months of operation. See Notes 1, 2 and 3, including definition for "Gross Sales" and our current System practices and policies for Royalty and other recurring fee collection.
Fund Contribution	Currently, you must contribute to the Fund in an amount equal to 2% of the Gross Sales generated by your Franchised Business	Same time and manner as your Royalty Fee.	We expect and intend to establish and administer a brand development Fund to promote, market, advertise and otherwise develop the System, Marks and brand generally. We reserve the right to increase your Fund Contribution to an amount up to 2.5% of Gross Sales generated by your Franchised Business upon 30 days' prior advance notice in the Manual(s) or otherwise in writing. Please see Note No. 4 following this Chart.
Local Advertising Requirement (or "LAR")	You must ensure you expend a minimum amount equal to the greater of (a) 1.75% of the Gross Sales of your Franchised Business, or (b) $1,500 per month (the "LAR")	As agreed.	Your LAR is the minimum amount you must expend on the promotion, marketing and advertising of your franchised Business within your Designated Territory. Please see Note No. 5 following this Chart.

Name of Fee	Amount	Due Date	Remarks
Technology Fee	Our then-current technology fee (the "Technology Fee") Currently, $25/month	Payable monthly in the same manner as the Royalty.	We reserve the right to collect a Technology Fee in connection with technology products or services we determine to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs. If we increase or otherwise modify the Technology Fee, we will provide you with 30 days' prior written notice. As of the Issue Date, we do not expect or intend to charge you any Technology Fee until you are open or close to being opened.
Required Software	Then-current fees charged by our then-current Approved Suppliers for such Required Software that is designated for use in connection with your franchised Business Currently, those ongoing fees are as up to $600 for the software designed for point-of-sale ("POS") and customer record management ("CRM") functions, including Client waiver records		As of the Issue Date, we expect and intend that these ongoing licensing fees for the software we currently require you to use in connection with a Franchised Business (each, a "Required Software") will be paid directly to the third-party providers/licensors that serve as our current Approved Supplier(s) for such software. Please see Note No. 7 for additional information.
Training Fee	Our then-current training fee for the kind of training being provided (the "Training Fee"). Currently, our Training Fees amounts to $500/day per trainer in connection with any training for which we reserve the right to charge a fee	Prior to trainers being sent and/or providing training.	You will be required to ensure personnel providing Approved Services at your franchised Business have each completed the appropriate portion(s) of our initial training program to providing any Approved Services at your Franchised Business. Please see Note No. 6 following this Chart for additional information.
Certain Ongoing Inventory Purchases	Will vary based on demand and sales generated by your Franchised Business	As invoiced	Certain proprietary or branded lines of products must be purchased from our Approved Supplier, which may be us and/or our affiliate(s).
Annual Convention or Conference Contribution	Then-current contribution amount that we designate in connection with any annual conference or convention we	As incurred.	We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you attend such conference. You will be responsible for the costs and expenses you incur

Name of Fee	Amount	Due Date	Remarks
	determine to hold for System Business owners Currently, we expect this contribution to be between $500 and $1,000 per attendee – once we determine it will be appropriate to establish such an annual meeting of System owners		in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current registration fee. If you do not attend the Annual Conference, we reserve the right to charge you a non-attendance fee amounting to the then-current registration fee.
Transfer Fee (Franchise Agreement and Development Agreement)	$10,000, except as set forth in the Remarks column	Payable prior to obtaining our consent to your proposed transfer.	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment. In situations where Franchisor is approving a transfer in connection with (a) an individual assigning its rights to a wholly-owned corporation, or (b) the death or disability of the Franchisee or Franchisee's principal, Franchisor will waive the transfer fee and only reserves the right to charge an administrative fee of $500.
Renewal Fee	$5,000	Payable prior approving your renewal request	There are other conditions that you must meet in order for us to grant your request to renew your franchise.
Relocation Fee	We reserve the right to charge a fee of $2,000 per relocation requested.	As arranged	We will evaluate any proposed relocation of your Premises as discussed more fully in Item 12 of this Disclosure Document. Currently, payable as follows: $1,000 when relocation request received; $1,000 balance prior or upon approval)
Contribution to Advertising or Marketing Cooperative (involving multiple System Businesses)	Currently, we do not have any regional or other advertising or marketing cooperatives (each, a "Cooperative"). If such a Cooperative is established and involve your Franchised Business, then: (i) we may require that you make a contribution to such Cooperative if your franchised Business is within geographical region comprising the Cooperative; (ii) your contribution to such a Cooperative will not exceed	As arranged	Your contribution may be payable to us or our affiliate if we established or approve such a regional Cooperative comprised of a geographical region where your Franchised Business is located. Any payments made towards or in connection with an Advertising Cooperative we establish and/or approve will be credited against your Local Advertising Requirement. If there is an affiliate-owned Business in your Cooperative, then our Affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on.

Name of Fee	Amount	Due Date	Remarks
	your then-current LAR disclosed above; and (iii) the actual amount of the contribution to the Cooperative will be determined by the Cooperative members		
Audit Fees	Actual cost of audit	Within 15 days of receiving invoice	Payable if audit reveals that you have underreported the Gross Sales of your Franchised Business by 2% or more for any designated reporting period. See Note 8 following this Chart for additional information
New Product or Supplier Testing	We reserve the right to reimbursement of the actual costs we incur in connection with the evaluation/testing procedure, not to exceed $500 per request	As incurred	If you propose an alternate supplier or product/service that we have not already authorized for use in connection with your Franchised Business, we may require that you reimburse us (or cover in advance) the actual costs we incur in connection with evaluating your proposal.
Violation in Connection with Quality Control or Quality Assurance Program	Then-current fee charged by our Approved Supplier for such program services	As incurred	If we establish a program to (a) assess customer satisfaction with the Franchised Business based on surveys and/or on-site visits that we or our designee conduct, and (b) determine whether the products/services utilized and offered/provided by you and/or other System franchisees meet all of you then-current quality control requirements, you will be responsible for the third-party costs of conducting such surveys or quality assurances in connection with your Franchised Business if such a program reveals a deficiency in operations.
Interest	The greater of (a) 1.5% per month (18% per year), or (b) highest commercial contract interest rate applicable laws permit	Upon demand.	Payable on all delinquent payments. See Note 9 following this Chart for additional information.
Collection Charges	Varies	Upon demand.	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Attorneys' Fees and Costs	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and any court costs that we incur in connection with attempting to (or actually) enforcing or protecting our rights under your Franchise and/or Development Agreement.

Name of Fee	Amount	Due Date	Remarks
Fees on Default and Indemnity	Attorneys' fees, costs, interest, audit costs, default fees.	Upon demand.	Payable in addition to other payments to us.
Indemnification	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Insurance	Actual costs and expenses	Upon demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so). Otherwise, these payments are made directly to your third-party insurance provider.
Non-Sufficient Fund (NSF) or Dishonored Check Charge	$100 per occurrence	Upon demand.	Payable if a check you provide to us is returned or dishonored by the bank, or if your EFT Account does not have sufficient funds to cover amounts you owe under the Franchise Agreement as they become due and owing to us. This provision is subject to any state-specific laws regarding NSF-related fees.
Management Fee	An amount equal to 8% of the Gross Sales of your Franchised Business during the period of time we or our representative manages your Franchised Business on your behalf (the "Management Fee"), plus the costs and expenses we incur.	As incurred	The Management Fee will only be due to us if (a) you are in material default under your Franchise Agreement or become disable (and unable to perform as the "Franchisee" under your Franchise Agreement), and (b) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchised Business back into compliance with the Franchise Agreement and System standards.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. Dollars (or "USD") and are non-refundable unless otherwise stated in this Item. Unless otherwise stated, the fees outlined in the Chart above apply to the Franchise Agreement only (and not the Development Agreement).

1. **Royalty Fee and Other Fees.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to our current form of Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account. If we have not collected Royalties as of the end of a given month of operations amounting to at least

the minimum Royalty after you have been operating for three (3) months, then we have the right to collect a shortfall payment from your designated EFT account amounting to (a) $1,000, less (b) the Royalties you actually paid to us in that month of operations (the "Shortfall Payment").

2. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than monthly basis. Regardless, you are required to provide us with a monthly Gross Sales report detailing your Gross Sales from the preceding calendar month, along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the "Gross Sales Report") on or before the 5th of each month. We may also require you to use a Computer System and/or related software that provide us with automatic access to such Gross Sales Reports.

3. **Definition of Gross Sales.** "Gross Sales" means the Gross Sales generated by your Franchised Business, including all revenue generated from the sale and provision of any and all gift cards and other Approved Products and Services at or through your Franchised Business and all proceeds from any business interruption insurance related to the non-operation of your Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. "Gross Sales" does not include (a) tips received by Business personnel and not collected by the Franchised Business, (b) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (c) the value of any allowance issued or granted to any client of the Franchised Business that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Products or Approved Services.

   The definition of "Gross Sales" may also include amounts charged to a customer that purchases a gift card, other electronic stored value card or gift certificate from the Premises, if and as consistent with our then-current System policies, standards and specifications regarding such cards or certificates (as we may update and modify as it determines appropriate via the Manuals or otherwise in writing).

4. **Fund Contribution.** We plan to establish a brand development fund designed to market and otherwise develop the brand, Proprietary Marks, System, Businesses and/or Approved Services (the "Fund"). You will be required to make a Fund Contribution as described more fully above. The Fund may be used for (among other things) product and technology development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Businesses; agency and consulting services; research; and any expenses approved by us and associated with your Business. We have sole discretion over all matters relating to the Fund.

5. **Local Advertising Requirement.** As of the Issue Date, we expect that a portion of these funds will be paid to supplier we designate or that you propose and we approve (each, an "Approved Supplier"), but we may: (i) designate our affiliate or ourselves as an Approved Supplier for certain of the materials/services you will be required to expend all or some portion of your Local Advertising Requirement funds on; and (ii) upon written notice, require you to provide us with copies of all invoices and other documentation necessary to demonstrate you are expending the Local Advertising Requirement each month in accordance with our then-current System directives.

6. **Training Fee.** We reserve the right to charge our general Training Fee in connection with (a) re-training or replacement training with regards to the portions of the initial training that are designed for the franchisee owner and/or Designated Manager, (b) any training we require you to complete to cure a default under your Franchise Agreement with us ("Remedial Training"), (c) additional training you request we provide (other than the kind of day-to-day assistance described below), or (d) training we provide on-site at your Franchised Business. We will not charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability. In addition to our then-current Training Fee, you would be responsible for the costs and expenses that are incurred in connection with you and your personnel attending training and/or our trainer personnel providing you with any on-site training after the Initial On-Site Training we provide as part of the Initial Training Program.

7. **Required Software.** In the future, we and/or our affiliate may determine to collect any ongoing fees payable in connection with the Required Software on behalf of our System Businesses, and subsequently make such payment to those Approved Supplier(s) as appropriate on behalf of the Business owners.

8. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more, than we may require you to (a) pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys), and/or (b) provide us with annual audited financial statements regarding the operation of your Franchised Business.

9. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full. In California, at the time of issuance, the highest permitted interest rate is 10% per annum.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Single Franchised Business

Type of Expenditure	Amount (Low Estimate)	Amount (High Estimate)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[1]	$40,000	$40,000	Lump sum	At signing of Franchise Agreement	Us
Operational Equipment Package[2]	$43,415	$69,500	As incurred	As invoiced	Affiliate Supplier
Initial Training – Costs and Expenses[3]	$500	$2,500	As arranged	As arranged	Third-Party Providers
Lease-Related Payments – Security/Utility Deposit and 3 Months of Rent[4]	$16,000	$32,500	As arranged	As arranged	Third-Party Landlord/Lessor

Design and Architect Fees[5]	$12,000	$14,000	As arranged	As agreed	Approved Supplier or other Third-Party Provider
Leasehold Improvements[6]	$65,000	$140,000	As arranged	As arranged	Third-Party Providers/Supplier
Professional Fees, Licenses, and Permits	$500	$3,500	As arranged	As arranged	Third Parties
Other Furniture, Fixtures, and Equipment[7]	$4,000	$10,000	As incurred	As arranged	Third-Party Suppliers and/or Approved Suppliers
Freight & Installation of Operational Equipment Package[8]	$1,575	$11,275	As incurred	As invoiced	Affiliate Supplier; Third-Party Suppliers
Technology Setup, AV, and Security[9]	$5,355	$6,635	As incurred	As incurred	Approved Supplier and/or Third-Party Suppliers
Opening Inventory and Supplies[10]	$1,750	$3,500	As incurred	As incurred	Approved Supplier(s)
Initial Marketing Spend[11]	$10,000	$15,000	As arranged	As incurred	Third-Party Providers or Approved Suppliers
Insurance – Pre-Opening and 3 Months	$1,500	$2,250	As arranged	As arranged	Third-Party Provider
Signage[12]	$5,000	$8,500	As incurred	As incurred	Approved Supplier
Laundry Equipment Rental – 3 Months[13]	$1,170	$2,250	As arranged	As arranged	Third-Party Supplier/Lessor
Additional Funds – 3 Months[14]	$15,000	$20,000	As incurred	As incurred	Various Third-Parties (personnel, us, Approved Supplier(s), third parties)
TOTAL ESTIMATES	**$222,675**	**$381,410**			

Explanatory Notes to Charts 7(A) Above:

Generally. Unless negotiated with a third-party, non-affiliated supplier, all payments disclosed in this Item are non-refundable. Please note that the estimates above are, in part, based on (a) our experience establishing, operating and franchising Businesses in Texas, (b) estimates we have received from our Approved Suppliers and certain other third-party suppliers, and (c) the experience of certain of our business advisors in working with franchise brands that have a business with a similar footprint and/or business concept as the Franchised Business offered in this Disclosure Document.

Our standard franchise offering assumes that a System franchisee will timely open and commence operations of the Franchised Business within the time period set forth in Item 11 of the FDD and open before the "Rent Commencement Date" or comparable date under the terms of the lease agreement.

1. **Initial Franchise Fee.** The Initial Franchise Fee is payable upon execution of the Franchise Agreement, and this fee is deemed fully earned and is not refundable upon payment.

2. **Operational Equipment Package.** This range is intended to cover the estimated and expected costs for the sauna and other equipment that a System Franchisee will need to have on-site at the Premises to utilize when providing certain of the Approved Services to clients. We expect that these equipment costs will vary based on the location of the Franchised Business, as well as any unique design or layout aspects associated with a given Premises.

3. **Initial Training – Costs and Expenses.** This range is intended to cover the costs and expenses that you will incur in connection with you and other management personnel attending and completing the appropriate portion(s) of our Initial Training Program that take place at our headquarters or corporate training location.

4. **Lease-Related Payments – Security/Utility Deposit and 3 Months' Rent.** This range is intended to cover the costs associated with the lease and security deposit you negotiate and enter into with the landlord of your approved Premises, as well as any initial security deposit (which we estimate to be between $0 and $500 depending on location and landlord).

5. **Design and Architectural Fees.** This range is designed to cover the estimated fees and other costs associated with engaging a third-party architect for services designed to progress the buildout of your approved Premises that is consistent with our then-current System standards and specifications for the same. As of the Issue Date, we have an Approved Supplier for these services, and our estimated range is based (in part) on the latest quote we have received from this Approved Supplier. Please note that you will be required to submit documentation related to project completion as we specify and in the format we specify.

6. **Leasehold Improvements.** This range is intended to cover the costs associated with building out the approved Premises of your Franchised Business to be consistent with System standards and specifications for the design and layout of a typical Franchised Business. The estimate assumes that: (i) your Franchised Business be located at a Premises that is between 1,500 and 2,000 square feet in size and that otherwise meets our then-current System criteria and standards for a Premises; and (ii) you will negotiate for tenant improvement credits or contributions from the landlord that are consistent with industry standards for this kind of commercial space. Our approval of a given site you propose as your Premises does not constitute a guaranty, representation or other statement as to your ability to build out that Premises at costs that are within the estimate range set forth in the Chart for this investment category – you must take all steps and conduct all initial due diligence to make that determination with your business advisors and any potential contractors that you engage with to provide quotes for the buildout at the Premises at issue. We recommend you get estimates for buildout prior to signing any lease for your contemplated Premises.

7. **Other Furniture, Fixtures and Equipment.** This range is intended to cover the costs associated with certain fixtures, furniture and equipment that must be purchased and used in connection with the development of the Franchised Businesses. Please note that this range does not include the costs associated with the Computer System and other technology-related equipment (which is covered separately in Note No. 10 below).

8. **Freight and Installation of Operational Equipment Package.** This range is intended to cover the expected costs for the transportation and installation of the Operational Equipment at the Premises. This cost will vary based on where your Franchised Business is located.

9. **Technology Set-Up, AV and Security.** This range covers the estimated costs to acquire the Computer System hardware and Required Software (cloud-based or otherwise), as well as a security system and audio-visual system at your Premises, that are in accordance with our System standards and specifications.

10. **Opening Inventory and Supplies.** This estimated range covers the costs associated with procuring an initial stock of operational and/or retail inventory, as well as operational supplies, prior to the opening of your Franchised Business (some of which may be used in connection with initial on-site training we provide as part of your initial training).

11. **Initial Marketing Spend.** As disclosed more fully in Item 11 below, this is the minimum initial amount you must expend prior to and around the time you open your Franchised Business – in accordance with any mutually-agreed upon or Franchisor-approved marketing plan you propose to us at least 30 days prior to any contemplated opening of your Franchised Business – to promote, advertise and market the initial launch of your business operations and the Approved Services and Approved Products you offer and provide. We will designated the exact amount you must expend as your Initial Marketing Spend after your secure your approved Premises, which will vary based on the demographics and corresponding market surrounding your Franchised Business. Please be advised that we may require that you expend all or any portion of your Initial Marketing Spend on services/collateral that is purchased from one (1) or more of our Approved Suppliers (as set forth in the Manuals or otherwise in writing).

12. **Signage.** This range covers all exterior and certain interior signage that will be used to identify the Franchised Business.

13. **Laundry Equipment Rental – 3 Months.** You must have certain laundry equipment on site at your Franchised Business to handle cleaning of towels and other operational inventory for use by clientele and/or Business personnel (such as uniforms). Our standard franchise offering expects and assumes that you will lease a washing machine and dryer that meets our System standards and specifications, and this range is intended to cover any initial deposit and ongoing lease payments for the same over your first 3 months of operation. You may also opt to lease or purchase the washing machine and dryer that meets our System standards and specifications.

14. **Additional Funds – 3 Months.** This range is intended to cover the additional working capital and/or other costs a new System franchisee will typically incur over its first three (3) months of operation. These additional funds may be expended on various operating costs over this time period, which may include personnel compensation, Technology Fees, your Local Advertising Requirement and other ongoing costs associated with Business operations once your Franchised Business is open. In preparing this estimate and the other estimated ranges above, we relied on (i) the information and experience garnered from the development of the Existing Businesses in the State of Texas, (ii) information and quotes we have received from our Approved Suppliers, as well as certain pricing information we have gathered from third-party suppliers of certain Required Items, and (iii) other industry-relevant experience and data we have compiled. This range does not account for any kind fees or costs related to (a) debt services, or (b) compensation for any franchise owner, officer or manager. This range is designed to cover additional amounts you will incur in connection with Business personnel, certain fees due under the Franchise Agreement and otherwise over the initial three (3) months of Business operations. This amounts will likely vary based on where a Franchised Business is located and the franchisee's direct negotiations with the (a) landlord under the lease for the Premises, (b) its general contractor and other contractors responsible for the

buildout of the Franchised Business, and (c) how closely you follow our System standards and specifications for the initial establishment and ongoing operation of a Franchised Business.

B. Multiple Franchises Under Development Agreement (Showing 2-Pack, 3-Pack and 5-Pack as Examples)

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[2]	2-pack	$70,000	Lump Sum	Signing of Development Agreement	Franchisor
	3-pack	$95,000			
	5-pack	$145,000			
Initial Investment to Open Initial Franchised Business[3]	$182,675 to $ 341,410		See Charts 7(A) above in this Item		
TOTAL[4]	**2-pack**	**$252,675 to $411,410**	This is the estimate initial investment associated with (a) entering into a Development Agreement for the right to develop the number of franchises described in the "pack", and (b) opening and commencing operation of the initial Franchised Business you commit to develop within your Development Area.		
	3-pack	**$277,675 to $436,410**			
	5-pack	**$327,675 to $486,410**			

Explanatory Notes to Chart 7(B) Above:

1. **Generally.** All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

2. **Development Fee.** The Development Fee is non-refundable. Your Development Fee will be calculated as the sum of the following: (i) $40,000 for the first franchise you are awarded the right to develop; plus (ii) $30,000 for the second franchise you are awarded the right to develop; plus (iii) $25,000 for the third and each additional franchise you are awarded the right to develop under your Development Agreement.

3. **Estimated Initial Investment to Open Initial Franchised Business.** This figure represents the total estimated initial investment required to open the initial Franchised Business you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for initial Franchised Business you must open within the Development Area at the same time you execute your Development Agreement. The range includes all the items outlined in Chart 7(A) of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement).

4. **Total.** This is the Development Fee plus our estimated initial investment to open and commence operating your initial Franchised Business within your Development Area. This range does not include any of the costs you will incur in opening any additional Franchised Business(es) that you are granted the right to open and operate under your Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, which we will notify you of in writing, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Services and Approved Products

You may only market, offer, sell and provide the Approved Services and Products at your Franchised Business in a manner that meets our System standards and specifications. We will provide you with a list of our then-current Approved Services and Products, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service in your Franchised Business other than our Approved Products and Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our Affiliate. We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items: (i) construction due diligence (unless proposed site does not require such due diligence); (ii) architectural, engineering and/or design services related to the establishment of your Business; (iii) certain Required Software; (iv) initial and ongoing inventory purchases, including without limitation, operating inventory and the Approved Product stock that you will be authorized to offer/sell at retail from your Business; (v) signage; (vi) the Operational Equipment, as well as certain other furniture, fixtures and equipment that must be used in connection with a Business operation; (vii) the services provided as part of the ongoing Technology Fee; (viii) initial and ongoing marketing, advertising and promotional materials; (ix) certain of your Computer System components; (x) music licensing (should you determine to use a third-party music streaming service); (xi) merchant and gift card processing; and (xii) the technology that we provide as part of any Technology Fee that is charged to our System franchisees.

As of the Issuance Date, please note that: (i) we are the Approved Supplier for (a) the technology services that are provided as part of the Technology Fee, and (b) any initial and ongoing training you are required

to attend or otherwise request; and (ii) Affiliate Supplier is our current Approved Supplier for the Operational Equipment Package and may serve as an Approved Supplier in the future for certain other retail and/or operational inventory, including any branded items.

In the future, we reserve the right to designate us or any affiliate/parent of ours as the Approved Supplier for any additional or other item or service that you are required to purchase and/or utilize in connection with your Franchised Business. This includes any proprietary products we develop or have developed for use in your Franchised Business, including private-label products that bear our Proprietary Marks.

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

As of the Issuance Date, none of our officers own an interest in any Approved Supplier (other than us and our Affiliate Supplier) from which you must directly purchase or lease in connection with your Franchised Business.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 80% to 90% of your total costs incurred in establishing your Franchised Business, and approximately 40% to 80% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Premises.

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business.

As of the past fiscal year ending December 31, 2022, neither we nor our affiliates/parent generated any revenue based on our franchisees' required purchases.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. We do not currently charge any evaluation fee, but we do reserve the right to be reimbursed for all actual costs we incur in connection with evaluating your proposal up to $500. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications

for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection. You may propose such services after you have established operations of your Franchised Business so long as you proposal includes a legal opinion from your attorney that your Franchised Business will be able to provide such services from the Premises of your Franchised Business and the details of any legal requirements or regulations associated with the same.

We will notify you in writing within 90 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Gift Cards and Membership Model Policies

You may be required to promote, offer and provide our gift card program in your Business, and you must purchase these cards from our Approved Supplier. You may also be required to (a) honor any gift cards for payment of services at your Business, even if the gift card was purchased at another Business, (b) offer and provide the membership programs and services that we authorize as part of your Approved Services, and/or (c) honor memberships purchased at a different Business location.

We will set forth our then-current System policies and practices regarding the allocation of the funds generated from the sale of gift cards and/or memberships that involve more than one (1) Business location, in our Manuals or otherwise set forth in writing.

Customer Service Policies

You are required to follow all customer service policies as we identify and modify them from time to time in our Manuals or otherwise in writing. Our then-current System policies regarding refunds and/or the provision of complimentary "make up" services may be set forth and/or modified upon written notice.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our parent, Affiliate or other affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised Businesses in the System, such as rebates, commissions or other forms of compensation. We

may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our parent, Affiliate or other affiliate(s) may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We do not currently have any purchasing cooperative(s) with any suppliers, but we reserve the right to create such purchasing cooperatives in the future.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Advertising

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Approved Location and Lease

You must obtain our approval of the Premises for your Franchised Business before you acquire the site. You must also obtain our approval of any contract of sale or lease for the Premises before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Collateral Assignment of Lease (attached as Exhibit C to our current form of Franchise Agreement). You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your Franchised Business at the Premises.

If we grant you the right to open and operate multiple Franchised Businesses under a Development Agreement, you will sign our then-current franchise agreement for each Franchised Business opened under your Development Schedule prior to or at the time you secure a Premises for that Franchised Business.

Insurance

You must, at your expense, comply with the requirements regarding insurance coverages that we describe in our Operations Manual or otherwise in writing. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must 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 and resources used to obtain such insurance for you. Your obligation to satisfy our minimum insurance requirements is not diminished or limited in any way by any insurance we or our affiliates carry, and no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations under the Franchise Agreement or Development Agreement.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to comply

with your lease obligations and applicable laws or to protect your interests or those of your Franchise Business. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances. Currently, we require that you purchase at least the following types and amounts of coverage (subject to change as described in our Operations Manual):

- General Liability: $1,000,000 per person per occurrence, $3,000,000 aggregate;
- Products & Completed Operations: $1,000,000 aggregate, $1,000,000 per occurrence;
- Personal and Advertising Injury: $1,000,000;
- Damage to Rented Premises: $1,000,000;
- Fire Damage: $1,000,000 per occurrence;
- Medical Expense: $5,000 per person;
- Property: Amount equal to replacement costs of property;
- Professional Liability: $1,000,000 per occurrence, 2,000,000 in the aggregate;
- Workers' Compensation: as required by applicable law;
- Automobile Liability & Property Damage: $1,000,000 per occurrence;
- Employment Practices: $250,000 annual aggregate with $25,000 maximum deductible;
- Business Interruption: not less than 75% of the annual revenue of the Franchised Business; and
- Insurance associated with tenant improvements/betterments in an amount equal to the value of those improvements/betterments.

We do not currently have an Approved Supplier for insurance, but we may designate one in the future. Regardless, you must provide us with certificates of insurance (or, at our request, copies of all insurance policies) evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement and/or subsequently in our Manual(s). All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved Suppliers. Your Premises must have Internet Wi-Fi access that your customers can access. We may require you to purchase any of these items from one of our Approved Suppliers, and we currently have an Approved Supplier in connection with the software you must use at your Franchised Business (and maintenance/support associated with this software).

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2, 5, and 6	Section 8	Item 11, 12
b.	Pre-opening purchases/leases	Sections 5 and 6	Section 8	Items 7, 8, 11, 12
c.	Site development and other pre-opening requirements	Sections 2, 5, and 6	Section 3	Items 6, 7, 11
d.	Initial and ongoing training	Sections 5 and 6	Section 3	Item 11
e.	Opening	Sections 5 and 6	Section 3, Exhibit B	Item 11
f.	Fees	Sections 3, 4, 9, and 13(E)	Section 9	Items 5, 6, 7, 11, 12
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 5 and 6	Section 3	Items 6, 11
h.	Trademarks and proprietary information	Section 7	Section 13	Items 13, 14
i.	Restrictions on products/services offered	Sections 5 and 6	Not Applicable	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 6	Not Applicable	Not Applicable
k.	Territorial development and sales quotas	Sections 2 and 6	Section 1, 3, and Exhibit B	Item 12
l.	Ongoing product/service purchases	Sections 5 and 6	Not Applicable	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Section 6	Not Applicable	Items 8, 11
n.	Insurance	Sections 6 and 11	Not Applicable	Items 6, 7, 11
o.	Advertising	Sections 4, 5, 6, and 9	Not Applicable	Items 6, 11
p.	Indemnification	Section 11	Not Applicable	Item 9
q.	Owner's participation/ management/staffing	Section 6	Section 7	Item 15
r.	Records and reports	Sections 4, 6, and 10	Not Applicable	Items 6, 9, 21
s.	Inspections	Section 5 and 10	Not Applicable	Items 6, 11, 21
t.	Transfer	Section 13	Section 16	Item 17
u.	Renewal	Section 3	Not Applicable	Item 17
v.	Post-termination obligations	Sections 14(B) and 16	Sections 14, 15	Item 17
w.	Non-competition covenants	Section 14	Section 11, 21, 22	Items 15, 17
x.	Dispute resolution	Sections 19 and 21	Sections 21, 22	Item 17
y.	Personal guaranty	Exhibit B	Attachment	Items 15, 17

ITEM 10

FINANCING

Neither we, nor our affiliates or agents currently offer direct or indirect financing to franchisees at the time of issuance,, but we reserve the right to, nor do we guarantee your obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

A. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. If you have entered into a Development Agreement, we will designate your Development Area where you will have the right to secure a Premises (each of which we must approve) for each of your Franchised Businesses. (Development Agreement, Section 1 and Exhibit A);

2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We will also review any proposed lease or purchase agreement for each location that you propose as a Premises for any Franchised Business, and we may condition our approval of any proposed Premises on the corresponding agreement containing certain terms we describe more fully in this Item, as well as designated the geographical area wherein the parties mutually agree you will secure your approved Premises (the "Site Selection Area"). (Franchise Agreement, Section 2(B));

3. Once you secure an approved Premises from which to open and operate your Franchised Business, we will define your Designated Territory for that Franchised Business and include its boundaries in a Data Sheet attached as an Exhibit to your Franchise Agreement. (Franchise Agreement, Section 2(B));

4. We will provide you with online access to, or otherwise loan you, one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Manual(s) as of the Issue Date of this Disclosure Document is attached to this Disclosure Document as Exhibit C, and the Manuals are collectively a total of approximately 205 pages. Please note that certain portions of the Manuals may be provided via a website or web portal that is controlled and/or registered to us (each, a "System Site"), and you will be solely responsible for ensuring compliance with these "online" portions of the Manuals as well. (Franchise Agreement, Section 5(D));

5. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them) and specifications for the Required Items (to the extent we have them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(D));

6. We will review and approve the proposed layout and design of your Premises as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 5(D)); and

7. We will provide our initial training program that must be successfully completed, as we determine in our discretion prior to the opening of your Franchised Business (the "Initial Training Program"), which is comprised of: (i) mandatory training that we will provide to you and at least one (1) additional individual (Designated Manager if applicable or other management personnel that will serve as part of your initial management), which has a typical duration of two (2) to three (3) days at our corporate headquarters (currently, in Texas) or other designated training location (our "Corporate Training"); and (ii) on-site training, assistance and support that you and your initial personnel team must participate and complete to our satisfaction before you open your Franchised Business (our "Initial On-Site Training").

a. Certain portions of the Corporate Training may involve instruction provided by video or other digital technology while at our designated corporate training location

b. We may condition your ability to attend our Corporate Training and/or us providing you with any Initial On-Site Training on you: (i) expending the required amounts on the marketing and pre-opening sales activities we designate or otherwise approve in connection with your Initial Marketing Spend; (ii) undertaking all steps to establish and provide us with access to your EFT Account consistent with your Franchise Agreement, including providing Franchisor and/or its designee with a signed and completed copy of the authorization form attached to your Franchise Agreement as an Exhibit, as well as any other authorizations and approvals necessary for us or our designee to access such EFT Account; (iii) demonstrating that you have obtained all required insurance coverages as set forth in this Agreement and the Operations Manual; and (iv) providing us with completed and signed copies of all agreements and contracts that are attached as Exhibits to your Franchise Agreement, to the extent such documents have not been signed or need to be updated or completed at that time (collectively, the "On-Site Training Pre-Conditions").

c. If you have appointed a manager to run the day-to-day operations of the Franchised Business (the "Designated Manager"), then this Designated Manager must participate in and complete all components of the initial training disclosed above that we designate.

d. You are also solely responsible for all costs and expenses you (and your personnel) incur in connection with completing the appropriate Corporate Training and Initial On-Site Training, including any personnel wages.

e. In the event we determine that you and your initial personnel team need more than five (5) days of Initial On-Site Training based on our representatives' reports and/or your team's testing results, we may require that: (i) you and your Initial Trainee Team participate in and complete additional Initial On-Site Training over the additional day(s) we determine appropriate; and (ii) you cover or reimburse the costs that we incur in connection with our representatives providing such additional on-site instruction and assistance, including additional travel, lodging and meals over that additional time period (beyond the first 5 days).

f. We do not currently have a pre-set training schedule, but we expect and intend to provide (a) a given franchisee with access to remote portions of Corporate Training within three (3) months of the date that franchisee signs a Franchise Agreement with us, (b) the balance of Corporate Training on an as-needed basis once each franchisee has completed the remote portion of Corporate Training and otherwise complied with the Pre-Training Conditions, and (c) Initial On-Site Training on an as-needed basis to each franchisee when that franchisee at issue has completed the Corporate Training and otherwise demonstrated that all other pre-opening requirements under that franchisee's Franchise Agreement have been satisfied. You may not open your Franchised Business until the entire Initial Training Program has been completed, unless we agree otherwise in a separate writing.

g. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The initial training program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well as changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained.

h. Failure to complete all required initial training to our satisfaction prior to the date you are required to open your Business may result in termination of the Franchise Agreement.

i. Our training program will be supervised by our Chief Executive Officer, Josh Terzo, who has over four (4) years of experience with (a) our brand and concept, and (b) the topics of instruction above.

j. Once we provide you and your initial personnel team with the On-Site Training at your Premises (or, if applicable, your Designated Manager) will be solely responsible for training all subsequent personnel that works at your Franchised Business.

k. The details of our Initial Training Program are set forth in the Chart below:

TRAINING CHART

SUBJECT	HOURS OF CLASSROOM TRAINING[1]	HOURS OF ON-THE-JOB TRAINING[2]	LOCATION
Meet the Team	1.0	0.0	Dallas, TX or virtual
Company Overview & Core Values	1.0	0.0	Dallas, TX or virtual
Overview of the Franchise Process	1.0	0.0	Dallas, TX or virtual
Owner Responsibilities	1.5	3.0	Dallas, TX or virtual
Site Selection & Design	1.0	0.0	Dallas, TX or virtual
MBO Basics (POS)	1.0	0.0	Dallas, TX or virtual
Pre-Sales	2.0	3.0	Dallas, TX or virtual
Sales & Operations	3.0	5.0	Dallas, TX or virtual
Equipment Training	1.0	1.0	Dallas, TX or virtual
Benefits & Studies	2.0	1.5	Dallas, TX or virtual

SUBJECT	HOURS OF CLASSROOM TRAINING[1]	HOURS OF ON-THE-JOB TRAINING[2]	LOCATION
Marketing / Advertising	2.0	1.5	Dallas, TX or virtual
Mindbody Reporting	2.0	0.0	Dallas, TX or virtual
Software	4.0	2.0	Dallas, TX or virtual
Record Keeping / Forms	0.5	0.0	Dallas, TX or virtual
Franchise Reporting Requirements	1.5	0.0	Dallas, TX or virtual
Royalties & Payments	1.0	0.0	Dallas, TX or virtual
Other	1.0	0.0	Dallas, TX or virtual
TOTAL(S)	**27.0**	**17.0**	

Other Training-Related Disclosures

In addition to the remote instruction/classes and the portion of our Initial Training Program that is provided at our training facility or corporate officers as described in the Training Chart above, we will send one (1) or more of our trainers to your Franchised Business to provide additional on-site instruction and assistance. This on-site assistance will typically take place at or close to the time you are authorized to open your Franchised Business, and such assistance will typically last between three (3) and five (5) days. Please note, however, that (a) certain of the "On-the-Job" training described in the Training Chart above may be provided or covered during the training we provide at our designated training facility or corporate offices, and (b) certain portions of on-site assistance may be provided instead by remote instruction.

B. Site Selection

You must assume all costs, liabilities, expenses and responsibility for: (i) locating, obtaining and developing a Premises for your Franchised Business; and (ii) constructing, equipping, remodeling and/or building out the Premises for use as a Franchised Business, all in accordance with our System standards and specifications. We may provide you with our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. We may then use these factors in determining the suitability of your proposed site for the Premises of your Franchised Business. We may require you to use our Approved Supplier for site-selection assistance. (Franchise Agreement, Section 5(F)).

In deciding whether to approve a site, we may also consider, among other things: (i) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (ii) competition from other businesses selling similar health and wellness services and/or products within the area, along with the proximity of the Premises to these businesses and the nature of all other businesses in proximity to the proposed site; (iii) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (iv) the size, appearance, and other physical characteristics of the proposed site.

We must also have the opportunity to review any lease or purchase agreement for proposed Premises before you enter into such an agreement. We may condition our approval of any proposed site for your Franchised Business on the following: (i) you and the landlord of the Premises enter into a form of addendum or

otherwise integrate the terms of that addendum (collectively, the "Lease Addendum Terms"), which includes (without limitation) a collateral assignment of lease and other entry rights upon termination or expiration of your Franchise Agreement, into the lease or other occupancy agreement for the Premises; and (ii) the landlord/lessor at issue affirms that you will have the right to operate the Franchised Business, including offering and selling the Approved Services and Approved Products, throughout the term of your Franchise Agreement. As part of the Lease Addendum Terms, we will have the option, but not the obligation, to assume or renew the lease for the Premises (the "Lease") for all or part of the remaining term of the Lease if you are in material default of your Franchise Agreement and/or Lease and/or fail to timely cure that default.

We will use reasonable efforts to approve or reject any proposed location (and corresponding lease/purchase agreement) within 30 days of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation. If we do not provide our specific approval of a proposed location within this 30-day period, the proposed location will be deemed rejected. Our approval only means that the site meets our minimum requirements for a Franchised Business.

You must secure a Premises that we approve within five (5) months of executing your Franchise Agreement for that Franchised Business or we may terminate that Franchise Agreement. Please note that your Site Selection Area will not be exclusive and that other System franchisees and developers may be afforded the right to search for an approved Premises within any portion of your Site Selection Area.

C. Time to Open

Single Franchised Business

Except as provided in this Item, you must open and commence operations of your Franchised Business within nine (9) months from the date you execute your Franchise Agreement for that Franchised Business. (Franchise Agreement, Section 6(C)).

We estimate that it will take between four (4) to nine (9) months to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Business within this nine (9) month period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 6(D)).

Multi-Unit Development under Development Agreement

If you have entered into a Development Agreement to open and operate multiple Franchised Businesses, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule may depend on the number of Franchised Businesses you are granted the right to open and operate. We must

approve of the Premises you choose for each Franchised Business you are required to open under the Development Agreement.

If you fail to open any Franchised Business within the appropriate time period outlined in the Development Agreement, we may terminate your Development Agreement. (Development Agreement, Section 14). You will not have any further development rights within the Development Area upon termination of your Development Agreement, except to continue operating the Franchised Business(es) that may have already opened and are operating as of the termination date.

D. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer, and require you and your Designated Manager to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion ("Additional Training"). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training each year at our headquarters in Texas, or other corporate training location we designate. You will be required to pay our then-current Training Fee for any Additional Training you and your employees request to attend and any Remedial Training that we require. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Section 5);

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, intranet communication, email, Skype, MS Teams, Zoom or any other communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5);

3. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5);

4. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Sections 5 and 6);

5. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year. You will be responsible for the costs and expenses you incur in connection with any franchise conference and you will be required to pay our then-current attendance/registration fee (Franchise Agreement, Section 5);

6. We will display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote the brand, our Proprietary Marks and other Business locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below

in this Item 11 under the heading "Advertising and Marketing" for further information.

7. We expect and intend to administer and maintain a brand development fund (the "Fund") for the benefit of the System. (Franchise Agreement, Section 9);

8. We may, as we deem appropriate in our discretion, establish and maintain a website or other online portal of any kind that will be accessible by our franchisees, which may be used for purposes of (a) providing updates, supplements and supplemental information that will constitute part of one (1) or more Manual, (b) providing webinars and other training, including portions of our Initial Training Program, (c) providing advertising templates or other marketing/promotional materials, as well as information related thereto, and (d) otherwise communicate with our franchisees regarding the brand, System and/or specific operational/promotional aspects of a Franchised Business (collectively, the "System Site"). (Franchise Agreement, Section 5);

9. We may conduct, as we deem advisable in our sole discretion, inspections of the Premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of a System franchise, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5);

10. We may supplement, revise or otherwise modify the Manuals and/or a System Site as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail, our System-wide intranet, or otherwise. (Franchise Agreement, Section 5); and

11. We may: (i) research new services, products and equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) create and develop additional products and services to be offered or provided as Approved Products and Services at Businesses, including proprietary products and services that may be sold under the trademarks we designate. (Franchise Agreement, Section 5).

E. Advertising

All advertising and promotion that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify. We may make available to you from time to time, at your expense, certain promotional materials, including coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. You will be required to purchase and display any signage in certain parts of your Franchised Business that have high visibility for purposes of notifying customers and prospective customers of specials/promotions regarding our Approved Products and Services. (Franchise Agreement, Section 9(B)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different

time period for use; or (ii) require you to discontinue using the previously-approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Local Advertising Requirement. As of the Issue Date, we require that franchisees expend an amount equal to greater (a) 1.75% of the Gross Sales generated by your Franchised Business each month, or (b) a monthly minimum amounting to $1,500, each month on local advertising, marketing and other promotional activities within your Designated Territory (which we refer to in this Disclosure Document as your "LAR"). Franchise Agreement, Section 9(D)). You may be required to expend all or any portion of your Local Advertising Requirement on materials, products and services that are provided by one (1) or more of our Approved Suppliers. We must approve all LAR collateral and materials prior to their use or circulation, consistent with the approval process outlined above in this Item.

Initial Marketing Spend. In addition to the Local Advertising Requirement, you will be required to expend a minimum of between $10,000 to $15,000, in connection with the initial marketing and other necessary activities designed to generate interest/visibility in your Designated Territory and/or clientele/members prior to opening and after "soft" opening of your Franchised Business. (Franchise Agreement, Section 9(C)). We will designate the exact amount you must expend as part of your Initial Marketing Spend when you secure the approved Premises for your Franchised Business. We expect that you will typically expend these amounts within the period that commences around 30-60 days prior to the contemplated opening of your Business and typically ending around 30 days following your soft opening. We may require that you expend any portion of these funds on products and services that you must purchase from our Approved Suppliers.

Brand Development Fund; Fund Contribution. We have established a brand development fund (the "Fund") for the benefit of the System and brand generally. You must currently contribute to the Fund in an amount equal to 2% of the Gross Sales generated by your Franchised Business over the preceding calendar month of operations – this is what we refer to as your Fund Contribution. (Franchise Agreement, Section 9(F)). We may increase your Fund Contribution up to an amount equal to 2.5% of the Gross Sales generated by your Franchised Business upon 60 days' prior written notice to our System franchisees via the Manuals or otherwise in writing.

Once established, we will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.

We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting

market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest, determined from time to time by Franchisor, which provides Franchisor with a return commensurate with the prevailing interest rate charged by persons in the business of lending money under similar circumstances) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase "Franchises Available" or substantially similar phrase on any and all advertising/marketing that is covered by the Fund. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. If we determine to establish any affiliate-owned Businesses, these Business may - but are not obligated to - contribute to the Fund in the same manner that each franchised Business is required to contribute. The Existing Business(es) are not required to contribute to the Fund.

We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion.). (Franchise Agreement, Section 9(F)).

As of the date of issuance of this Disclosure Document, we have not collected or expended any Fund Contributions. Because we are a new franchise offering, we expect the Fund will be established once we have open and operating System franchisees.

Advertising Council. We have not currently established an advertising council (the "Advertising Council"), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 9(G)).

Regional Advertising Cooperatives ("Cooperatives"). We reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more Businesses (whether a Franchised Business or Affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to a Cooperative we establish, you must work with the other Business owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Businesses within the geographical boundaries of the Cooperative. If you are designated as a member of a Cooperative, you may be required to contribute to the Cooperative in an amount not to exceed the then-current Local Advertising Requirement. All amounts paid to a Cooperative will be credited toward your Local Advertising Requirement. We have not established any Cooperatives as of the Issue Date of this Disclosure Document. We reserve the right to establish the governing rules, terms, and operating procedures of any Cooperative and make them available for Franchisee's review. (Franchise Agreement, Section 9(I)).

Online Directories. As another means of advertising, you must ensure that the Franchised Business is listed in appropriate Internet-based telephone directories that we designate. You must ensure that your Franchised Business has a dedicated telephone line that is not used for any other purpose.

Remodeling in Connection with Trade Dress. We may require you to make such additions, alterations, repairs, and replacements at the Premises and to the fixtures, furnishings, signs and inventory therein to comply with Franchisor's then-current System trade dress, standards and specifications.

F. Computer System

We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, which currently includes: (i) a Lenovo AIO desktop with a current professional series of MS Windows that is capable of running all Required Software, including without limitation, the software associated with the Business Management System (for POS, CRM, inventory management, reporting and other functions); (ii) credit card scanner; (iii) a printer; and (iv) at least two (2) tablet(s) for mobile use within the Business (collectively, the "Computer System"). You must have the components necessary to ensure that the entire Premises of the Franchised Business has access to the Internet via Wi-Fi connection with at least 500mbps speed, unless we agree otherwise in writing. We may require that: (i) you comply with any updated standards and specifications for Internet access and speed; and (ii) the Computer System, including Business Management System, be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). There are no contractual limitations on our right to access the information and data on any component of your Computer System. We may also require you to use a Computer System and/or related software that is administered through us and provides us with automatic access to all data and reports that might be created by such Computer System and/or software, including any security camera footage. (Franchise Agreement, Section 6(R)).

We will also require you to use designated software in connection with the Computer System and Franchised Business (or, as previously referred to in this Disclosure Document, our then-current "Required Software"). (Franchise Agreement, Sections 4(C) and 10(C)).

We estimate the initial costs associated with acquiring the necessary hardware components comprising our current Computer System will be between $1,500 and $3,000, which does not include (a) the ongoing license fees due in connection with any third-party Required Software (see Item 6 Chart above), or (b) our current Technology Fee ($25/month).

In addition to the Computer System above, we typically recommend and require that franchised Businesses utilize and install a designated package of security system and other audio-visual equipment components that may be integrated with the Computer System components. These specific system requirements will be set forth in our Manuals or otherwise as part of our then-current list of Required Items.

We reserve the right to approve all of the foregoing all non-designated hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. (Franchise Agreement, Sections 4(C) and 10(C)).

You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. We estimate that you will spend approximately $0 to $250 annually on maintenance and support contracts for your Computer System, which includes any upgrades to the Computer System. The Computer System range does not include the investment associated with the security or sound system you must purchase and utilize in connection your Business operations. Franchisor and its Affiliates have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to the Computer System.

You are also required to participate in any System-wide area computer network, including any System Site that you are provided access to as our System franchisee, that we implement, and may be required to use such networks or System Site to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 4(C)).

G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Instagram, Pinterest, Twitter, YouTube, TikTok, or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s).

We have the right to establish and maintain a primary website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. For so long as you remain compliant with your obligations under the governing Franchise Agreement, we agree to establish an interior or other page on our brand Website to display the contact information associated with the Franchised Business. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our Affiliate) are the sole registrant of the Internet domain name https://glowsaunastudios.com/, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words

You also agree and acknowledge that you will access and utilize any System Site we establish for use in connection with the System, including without limitation, to publish and circulate updates to the System Manual(s).

ITEM 12

TERRITORY

Franchise Agreement

Premises and Relocation

You will operate the Business at a specific location approved by us (referred to as your "Premises"). Once you have secured your Premises, we will provide you a Designated Territory within which you will have certain protected rights.

You will not be permitted to relocate your Business without our prior written approval, which may be withheld in our discretion. We reserve the right to assess a relocation fee of $2,000, currently with $1,000 payable at the time you submit the proposed location for your relocated Business and $1,000 payable prior to or upon our approval of your relocation site. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

Designated Territory

We expect that a typical Franchised Business in a rural area will be awarded a Designated Territory comprised of a two (2) mile radius around the Premises of the franchised Business. If a franchised Business is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Densely-Populated Area"), a typical Designated Territory may be between two (2) blocks and up to two (2) miles around the approved Premises where the Business is developed. In certain venues, such as Non-Traditional Locations, your Designated Territory may be limited to the venue itself or a portion thereof. We do not have a minimum Designated Territory we must award to you under your Franchised Agreement.

We will determine and designate your Designated Territory as we deem appropriate in our discretion. The size of your Designated Territory will likely vary from the territory granted to other franchisees based on the location and demographics surrounding your Business.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. If we determine, in our discretion, to base your Designated Territory on population, then the sources we use to determine the population within your Designated Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (B) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

If and when you are granted a Designated Territory, then we will not open or locate, or license any third party the right to open or locate, another Business utilizing the Proprietary Marks and System from a physical location within that Designated Territory, until such time that your Franchise Agreement expires or is terminated.

We do reserve the right to locate Businesses at certain "Non-Traditional Sites" within your Designated Territory and, for this reason, we must provide the following disclosure:

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

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Businesses, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Businesses or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the premises and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future.

While you and other Businesses will be able to provide the Approved Services to any potential client that visits or otherwise reaches out to your Business, you will not be permitted to actively solicit or recruit clients outside your Designated Territory, unless we provide our prior written consent. You will not be

permitted to advertise and promote your Franchised Business via advertising that is directed at those outside your Designated Territory without our prior written consent, which we will not unreasonably withhold provided (a) the area you wish to advertise in is contiguous to your Designated Territory, and (b) that area has not been granted to any third party in connection with a Business (or Development Agreement) of any kind.

Development Agreement

If you are granted the right to open two (2) or more Franchised Businesses under our form of Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area will substantially vary from other System developers based on: (i) the number of Franchised Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet.

Each Franchised Business you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Designated Territory that we will define once the site for that Franchised Business has been approved. We will approve sites for additional Franchised Businesses developed under your Development Agreement using our then-current site selection criteria.

We will not own or locate, or license a third party the right to own or locate, a Business utilizing the Marks and System from a physical location within the Development Area until the earlier of: (i) the date we define the Designated Territory of the final Franchised Business you were granted the right to operate under the Development Agreement; or (ii) the expiration or termination of the Development Agreement for any reason. Upon the occurrence of either of these events your territorial rights within the Development Area will be terminated, except that each Franchised Business that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories that were granted under the franchise agreement(s) you entered into for those Franchised Business(es).

With that said, we do reserve the right to locate Businesses at certain "Non-Traditional Sites" within your Development Area and, for this reason, we must provide the following disclosure:
You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Reserved Rights

We and our parent/affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Businesses and Franchised Businesses using

the Marks and System at any location outside of your Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (iii) use the Marks and System, as well as other such marks we designate, to distribute any Approved Products and/or Services in any alternative channel of distribution, within or outside the Territory(ies) and Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have us or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Services (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area; (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a Business location, anywhere inside or outside of the Designated Territory; (vii) own and operate Businesses in "Non-Traditional Locations" including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, sports arenas and stadia, "big box" gyms and fitness centers, train stations, casinos, both within or outside your Designated Territory(ies) and, if applicable, Development Area; and (viii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if applicable, your Development Agreement.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Territory.

Internet Sales / Alternative Channels of Commerce

We may sell products and services to members located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Business. We may use the internet or alternative channels of commerce to sell Franchisor's brand products and services. You may only sell the products and services from your approved Business location, and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us. We may require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. We retain the right to approve or disapprove of such advertising, in our sole discretion. Any use of social media by you pertaining to the Business must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Business on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Business that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining members over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of

Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, nor do we presently intend to establish, other franchised or company-owned businesses that are similar to the Franchised Business and that provide the Approved Products and Services under a different trade name or trademark, but we and our affiliate(s) reserve the right to do so in the future without your consent.

ITEM 13

TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals. You do not obtain any additional rights to use any of our Proprietary Marks under any Development Agreement you enter into. We are the owner with respect to the following application for the mark below (the "Pending Mark") that is current pending registration on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Application Number	Registration or Application Filing Date
GLOW SAUNA STUDIOS	97/767660	January 23, 2023

We also have the right to use the following Proprietary Mark (the "Registered Mark"), and license the use of the same in connection with the franchise system, pursuant to an agreement with Well Body Ventures, Inc. ("WBV") dated December 2022, which does is perpetual in duration, non-terminable, and does not require any licensing/royalty fee be paid to WBV as of the Issue Date:

Mark	Application Number	Registration or Application Filing Date
SWEAT THE BAD. EMBRACE THE GOOD. GET THE GLOW.	5,8717,43	October 1, 2019

As and when appropriate, we will work with WBV (when applicable) and/or our counsel to ensure that all required affidavits and filings necessary to maintain the registration for either of the Registered Mark and Pending Mark (if an once registered) above are timely filed with the USPTO.

We do not yet have a federal registration for the Pending Mark listed above as of the Issue Date. Therefore, the Pending Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use this Pending Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Lasty, we are the owner of the following state trademark application for the Proprietary Mark GLOW SAUNA STUDIOS that is pending registration with the State of Texas as of the Issue Date:

Mark	State	Application Number	Date Filed	Status
GLOW SAUNA STUDIOS	TX	N/A	February 1, 2023	Pending

We reserve the right in its sole discretion to cease use of any trademark. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition, or cancellation proceedings involving the Proprietary Marks. There are no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks. To our knowledge, there are no infringing uses that could materially affect your use or our ownership rights in the Proprietary Marks or our rights in the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our affiliate's ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlements. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement.

We reserve the right, at our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks for use in identifying the System and the businesses operating under these marks. You must comply with any changes, revisions and/or substitutions at your sole cost and expense.

ITEM 14

PATENTS, COPYRIGHTS AND OTHER PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the Manual. The Manuals are described in Item 11,which also describes the limitations on the use of the Manual by you and your employees.

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

To our knowledge, there currently are no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

We may revise our System and any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

In general, our proprietary information includes "Confidential Information" as defined in our current Franchise Agreement, some of which is contained in our Manual, and includes, among other things, all information (current and future) relating to the operation of the Business or the System, including, among

other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of the Businesses; (ii) designs, specifications and information about products and services and (iii) all information regarding members and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a Business, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Business under a Franchise Agreement with us; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Business that you or your employees conceive or develop. You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the operations of your Franchised Business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

While we recommend that you personally participate and manage the day-to-day operations of your Franchised Business, you may hire a Designated Manager to manage daily operations with our approval. Both you and your Designated Manager will be required to complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities).

We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has completed our Initial Training Program and otherwise demonstrated that he/she a good handle on our System standards and specifications for daily operations of a Business. If the franchisee is a business entity, we do not require the Designated Manager to own an interest in the entity – but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement.

Your Franchised Business must, at all times, be managed by at least one (1) individual who has successfully completed our Initial Training Program (your Designated Manager or other management personnel). In the event that you operate more than one Franchised Business, you must have a properly trained Designated Manager at each Business you own and operate unless we agree otherwise in writing. You must keep us informed at all times of the identity of any personnel acting as Designated Manager, and obtain our approval before substituting a new Designated Manager at any of your locations.

If you are an individual, then your spouse, provided you have one, will also be required to sign the Franchise Agreement or, in the alternative, the form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the "Guaranty"). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners that own 5% or more of the franchisee entity (the "Applicable Owners"), as applicable, must sign the Guaranty, and (b) at our option, the spouses, where applicable, of each such Applicable Owner must sign the Guaranty.

Under a Development Agreement, you must designate and retain an individual throughout the term of the

Development Agreement to act on behalf of you in all transactions concerning your obligations under the Development Agreement (the "Representative"). If you are an individual, you must perform all obligations of the Representative. The Representative must use reasonable efforts to do the following, during the entire period he serves in that capacity: (1) maintain a direct or indirect ownership interest in the Franchised Business; (2) devote substantial time and reasonable efforts to the supervision and conduct of the Franchised Business and execute the Development Agreement as one of the Principals; and (3) meet our standards and criteria for a Representative as set forth in the Manuals or otherwise in writing by us. If the Representative or any designee is not able to continue to serve in the capacity of Representative or no longer qualifies, you must promptly notify Franchisor and designate a replacement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must (1) sell or offer for sale only those products, merchandise, and services as we have expressly approved for sale in writing, (2) sell or offer for sale all types of products, merchandise, and services we specify, (3) refrain from any deviation from our standards and specifications without our prior written consent, and (4) discontinue selling and offering for sale any products, merchandise, and services which we may, in our discretion, disapprove in writing at any time. You must only offer and sell the Approved Products at retail, and you are not permitted to sell such Approved Products (including all retail merchandise) at wholesale or for re-sale of any other kind. All Approved Products, including inventory used in connection with the Approved Services, that are sold or offered for sale at the Business must meet our then-current standards and specifications, as established in the Manuals or otherwise in writing. See Item 8. The Franchise Agreement does not limit our right to make changes in the types of authorized products, merchandise, and services.

If any Approved Services require a license in order for an individual to provide such services under the laws of the state where the Franchised Business is located must be provided by your personnel that is appropriately licensed to provide the services at issue. Our standard franchise offering expects and assumes that any personnel you hire will have the appropriate state and/or other licensing and certifications to provide the Approved Services for which they have been engaged or hired.

We have the right to specify the prices for the products and services you offer and sell, and to establish minimum and maximum prices for such products and services. You must strictly adhere to the lawful prices we establish, subject to applicable law. We retain the right to modify the prices from time-to-time in our reasonable discretion. You must comply with all of our policies regarding advertising and promotion, including the use and acceptance of coupons, gift cards or incentive programs. We do not limit your access to customers in that customers may patronize your Business even if they are not located within your Designated Territory, provided you comply with your advertising and solicitation obligations under your Franchise Agreement.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The following tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

A. Franchise Agreement

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the Franchise Term	Section 3	10 years from the signing of Franchise Agreement.
b. Renewal or Extension of the Term	Section 3	If Franchisee satisfies all of the requirements of the Franchise Agreement, Franchisee will have an option to renew the franchise relationship for 2 consecutive, 5-year periods.
c. Requirements for Franchisee to Renew or Extend	Section 3	Give timely notice; complete to Franchisor's satisfaction all maintenance, refurnishing, renovating and remodeling that Franchisor requires of the premises of the Franchise Business; not be in default of the Franchise Agreement or any other agreement and have complied with the standards and operating procedures prescribed by Franchisor; satisfy all monetary obligations owed to Franchisor or its affiliate; execution of the then-current form of franchise agreement, which may contain materially different terms and conditions than your original contract; pay Franchisor the applicable Renewal Fee ($5,000); sign a release subject to state law; and remain in possession of the premises of the Franchised Business.
d. Termination by Franchisee	Not Applicable	Franchisee may terminate under any grounds permitted by law.
e. Termination by Franchisor Without Cause	Not Applicable	Not Applicable.
f. Termination by Franchisor With Cause	Section 15	We have the right to terminate with cause.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
g. "Cause" Defined – Curable Defaults	Section 15(C)	Curable defaults include: Franchisees failure to pay Franchisor amounts owed when due (5 days to cure); Franchisee fails to perform any of its obligations under the Franchise Agreement or any other Agreement between Franchisee and Franchisor or its Affiliates (15 days to cure); Franchisee fails to furnish reports, financial statements, tax returns, or any other documentation required by the Franchise Agreement (15 days to cure); or Franchisee engages in any conduct or practice which, in the reasonable opinion of the Franchisor, reflects unfavorably upon or is detrimental to the Marks, to the good name, goodwill or reputation of the Franchisor (5 days to cure).
h. "Cause" Defined – Non-Curable Defaults	Section 15(A) and Section 15(B)	Non-curable defaults include: material misrepresentation on Franchisee's application for the Franchise Agreement; understatement of Gross Sales; Franchisee loses the right to possession of the premises or the Lease; if a guarantor or the manager fails to satisfactorily complete the initial training program; unauthorized transfers by Franchisee; Franchisee receives 3 or more notices of default in any consecutive 12 month period; Franchisee is adjudicated as bankrupt, insolvent, or commits any affirmative act of insolvency, or files any action or petition for insolvency; if the Franchisee ceases or takes any steps to cease the operation of the Franchised Business; or if the Franchisee or Franchisee's principal does not timely cure a default within the applicable cure period under a different franchise agreement or other agreement with Franchisor or such an agreement becomes subject to termination or is terminated.
i. Franchisee's Obligations on Termination/Non-Renewal	Section 16	Obligations include: cease operations of the Business; de-identification; payment of amounts due to Franchisor and its affiliates; return the Manuals and all other confidential information or items imprinted with any of the Marks; sell to Franchisor products, furnishings, equipment, signs, fixtures, stationery, forms, packaging, and advertising materials at Franchisor's option; modify the interior and exterior of the premises of the Business; if termination is a result of Franchisee's default Franchisee must pay to the Franchisor all costs and expenses incurred as a result of that default; compliance with post-termination non-competition agreement; transfer all telephone and facsimile numbers, all listings and email addresses and social media accounts; and others.
j. Assignment of Contract by Franchisor	Section 13	The Franchisor may assign any or all of its rights arising from the Franchise Agreement, provided that the assignee agrees in writing to assume all obligations undertaken by the Franchisor.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
k. "Transfer" by Franchisee – Defined	Sections 13(A) and 13(C)	Franchisee shall not sell, assign, transfer, mortgage, charge, grant a security interest in or otherwise encumber any of the Franchisee's right and interest hereunder or in any assets of the Franchised Business, nor shall any of the guarantors transfer any of their shares in the capital of the Franchisee nor shall the Franchisee amalgamate, merge, reorganize, or engage in any similar proceeding, without in each case obtaining the prior written approval of the Franchisor.
l. Franchisor Approval of Transfer by Franchisee	Section 13(A)	All transfers require our prior written consent, which will not be unreasonably withheld, and we have a right of first refusal to acquire any proposed transfer of interest.
m. Conditions for Franchisor Approval of Transfer	Section 13(E)	Conditions of approval include: submit a copy of the offer relating to the Transfer, information relating to the character and business background of the proposed transfer; Franchisee's monetary and other obligations have been satisfied; Franchisee is not in default of any provision of any agreement with Franchisor or its affiliates; transferor signs a general release (subject to state law); transferee enters into a written assignment and guaranty, if applicable; transferee meets our qualifications; transferee signs our then-current form of franchise agreement; transferee completes all required training programs; Franchisee pays a transfer fee to Franchisor; Transfer is in compliance with applicable bulk sales legislation; and others.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 13(D)	Except in certain circumstances, you must provide us with a period of 30 days to match any third-party *bona fide* offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's Option to Purchase Franchisee's Business	16(G)	Upon termination or expiration of the Franchise Agreement, Franchisor has the option, but not the obligation, to purchase Franchisor's equipment and furnishings, inventory and supplies owned and used by the Franchisee in connection with the operation of the Franchised Business at a price equal to the lesser of the book value and the fair market value of the property in question; Franchisor also has the option to have Franchisee assign its lease to Franchisor.
p. Death or Disability of Franchisee	Section 13(B)	Upon the death or mental incapacity of any person holding any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Business, an approved transfer must occur within 120 days.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
q. Non-Competition Covenants During the Term of the Franchise	Section 14(A)	During the term of the Franchise Agreement, Franchisee, nor any officer, director, executive, manager, or member of the professional staff, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person (i) divert or attempt to divert any business or customer of Businesses to any competing business (as defined in the Franchise Agreement), by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; (ii) own an interest in, manage, operate, or perform services for any competing business which is located within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor has used, sought registration of, or registered the Marks or similar marks, or operates or licenses others to operate a business under the Marks or similar marks; or (iii) subject to and as permitted by applicable law, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat
r. Non-Competition Covenants After the Franchise Is Terminated or Expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (1) own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in or involvement with any o Competing Business: (i) at the Premises; (ii) within the Designated Territory; or (iii) within a twenty-five (25) mile radius of (a) the perimeter of the Designated Territory being granted hereunder or any other designated territory licensed by Franchisor to a franchised Business as of the date of expiration or termination of this Agreement, or (b) any other System Business that is in operations or under development as of the application termination/expiration date; (2) solicit business from customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, or subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment; or (3) subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.
s. Modification of the Agreement	Section 18(D)	All amendments, changes, or variances from the Franchise Agreement must be in writing.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t. Integration / Merger Clause	Sections 18 and 22	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.
u. Dispute Resolution by Mediation or Arbitration	Section 21(B) Section 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation or arbitration, which will take place, at our option, in (a) Dallas, TX, or (b) our then-current corporate headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated or arbitrated, the parties will split the fees and bear all of their other respective costs of the mediation/arbitration. (subject to applicable state law)
v. Choice of Forum	Section 21(D) and 21(E)	Subject to the other dispute resolution provisions set forth in the Franchise Agreement and disclosed above in this Item, all claims and causes of action arising out of the Franchise Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to (a) Dallas, TX, or (b) the city and state where we have notified you in writing we have established our then-current corporate headquarters. (subject to applicable state law)
w. Choice of Law	Section 21(A)	The Franchise Agreement is governed by the laws of the state of Texas, without reference to this state's conflict of laws principles.

B. <u>Development Agreement</u>

	Provision	Section in Development Agreement	Summary
a.	Term of the Franchise	Section 1(B), Exhibit B	The Development Agreement will commence on the date it is fully executed and end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule or (b) the day that the final Franchised Business is opened.

	Provision	Section in Development Agreement	Summary
b.	Renewal or extension of the term	Not Applicable	Not applicable.
c.	Requirements for franchisee to renew or extend	Not Applicable	Not applicable.
d.	Termination by franchisee	Not Applicable	Franchisee may terminate under any grounds permitted by law.
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 14	We may terminate your Development Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 14(B)	We may terminate your Development Agreement after providing notice and a 30-day cure period (unless a different cure period is specified below) if: you fail to meet the Development Schedule; you fail to develop, open, and operate each Facility and execute each Franchise Agreement in compliance with the Development Agreement; you fail to designate a qualified replacement Representative; you misappropriate or misuse the Proprietary Marks or impair the goodwill of the Proprietary Marks or System; fail to make monetary payment under the Development Agreement or any Franchise Agreement to us or our affiliate, and fail to cure within 14 days of receiving written notice from us; fail to correct a deficiency of a health, sanitation, or safety issue identified by a local, state or federal agency or regulatory authority; or you fail to comply with any other material term or material condition of the Development Agreement or any Franchise Agreement.

	Provision	Section in Development Agreement	Summary
h.	"Cause" defined - defaults which cannot be cured	Section 14(A)	We may terminate your Development Agreement automatically upon written notice if: you become insolvent or make a general assignment for the benefit of creditors; file a bankruptcy petition or are adjudicated bankrupt; a bill in equity or appointment of receivership is filed in connection with you; a receiver or custodian of your assets of property is appointed; a proceeding for a composition of creditors is initiated against you; a final judgment is entered against you and not satisfied within 30 days; if you are dissolved, execution is levied against you; a suit to foreclose any lien or mortgage against any of your Facilities is levied; the real or personal property of a Facility is sold after being levied upon; you fail to comply with the non-competition covenants of the Development Agreement; you or your principal discloses the contents of the Manuals or other confidential information; an immediate threat or danger to public health or safety results from the operation of a Facility operated by you; you or your Principal has made a material misrepresentation in the franchise application; you fail on 3 or more occasions within a 1-year period to comply with a provision of the Development Agreement; you fail to comply with the transfer conditions of the Development Agreement; or if any Franchise Agreement entered into in connection with Developer's exercising of its development rights awarded under the Development Agreement is subject to termination (for whatever reason) or is terminated.
i.	Franchisee's obligations on termination/non-renewal	Section 11, Section 14(D), Section 15	In the event the Development Agreement is terminated prior to its natural expiration, then the scope of Developer's post-term non-compete will include not only the post-term non-compete provision set forth in each of the Developer's signed Franchise Agreements, but also prohibit any involvement with a Competing Business within the Development Area or a 25-mile radius of that Development Area.
j.	Assignment of contract by franchisor	Section 16(A)	We have the right to assign our rights under the Development Agreement.
k.	"Transfer" by franchisee – defined	Section 16(B)	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Franchisor approval of transfer by franchisee	Section 16(C)	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for franchisor approval of transfer	Section 16(C)	Conditions of approval include: Developer's monetary and other obligations have been satisfied; Developer is not in default of any provision of any agreement with Franchisor or its affiliates; transferor signs a general release (subject to state law); transferee meets our qualifications; transferee signs our then-current form of franchise agreement; transferee enters into a written assignment and guaranty, if applicable; Developer pays a transfer fee to Franchisor; and others.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16(E)	If Developer receives and desires to accept any bona fide offer to transfer an ownership interest in the Development Agreement from a third party, we shall have the right and option, exercisable within thirty

	Provision	Section in Development Agreement	Summary
			(30) days after actual receipt of such notification, to send written notice to Developer that we intend to purchase the Developer's interest on the same terms and conditions offered by the third party. If we elects not to accept the offer within the thirty (30) day period, Developer shall have a period not to exceed sixty (60) days to complete the transfer subject to the conditions for approval set forth in Section 16(C) of the Development Agreement.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 16(F)	Upon the death or permanent disability of Developer, the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, partners or members, must appoint a competent manager that is approved by us within ninety (90) days from the date of death or permanent disability (the "90 Day Period"). During the 90 Day Period, the appointed manager must attend and successfully complete our training program and enter into the then-current form of area development agreement or sign a personal guaranty for any of Developer's obligations. This this is note completed within the 90 Day Period, we may immediately appoint a manager to maintain the operations of Developer's Businesses until an approved assignee is able to assume the management and operation of the Business. We have the right to charge a reasonable fee for management services and to cease to provide management services at any time.
q.	Non-competition covenants during the term of the franchise	Section 11(B)(1)	Neither you, your principals, guarantors, owners or key employees, nor any immediate family member of you, your principals, guarantors, owners or key employees, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Development Agreement); (ii) employ or seek to employ any employees of us, our affiliates or any other System franchisee/developer or induce such persons to leave their employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business.
r.	Non- competition covenants after the franchise is terminated or expires	Section 11(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Development Agreement, neither you, your principals, guarantors, owners, nor any immediate family member of you, your principals, guarantors, owners, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of Competing Businesses. For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, nor any immediate family member of you, your principals,

	Provision	Section in Development Agreement	Summary
			guarantors, owners, may own, operate or otherwise be involved with and Competing Business: (i) within the Development Area; (ii) within a 40-mile radius of your Development Area or any other designated territory or designated area licensed by us to a Business as of the date of expiration/termination of the Development Agreement through the date you attempt to engage in any competitive activity prohibited by this Section. During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Businesses; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) subject to and as permitted by applicable state laws, soliciting any employees of us, our affiliates or any other System franchisee or developer to discontinue their employment.
s.	Modification of the agreement	Section 23	Your Development Agreement may not be modified, except by a writing signed by both parties.
t.	Integration/merger clause	Section 23	Only the terms of the Development Agreement (and ancillary agreements) and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and this Agreement may not be enforceable. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u..	Dispute resolution by arbitration or mediation	Section 22	You must first submit all dispute and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place, at our option, in (a) Dallas, TX, or (b) our then-current corporate headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation (subject to state law).
v.	Choice of forum	Section 22	All claims and causes of action arising out of the Development Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to Dallas, TX, or the city and state where we have notified you in writing we have established our then-current corporate headquarters (subject to applicable state law).
w.	Choice of law	Section 21	The Development Agreement is governed by the laws of the state of Texas without reference to this state's conflict of laws principles. (subject to state law)

ITEM 18

PUBLIC FIGURES

We do not presently use any public figures to promote our franchises.

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.

BACKGROUND

In the Item 19 Charts below, we disclose a comprehensive overview of the following historical performance results generated by our one (1) affiliate-owned Business (the "Existing Business) over the 13-month period of operations commencing January 1, 2022 and ending January 31, 2023 (the "Measurement Period").

We have one (1) other affiliate-owned Business in operation as of the Issue Date, but it did not open until April 2022 and was not operating throughout the entirety of the Measurement Period described above. As such, this other affiliate-owned Business is excluded from this Item.

This Item details the Gross Sales generated, along with the occupancy, labor, marketing and other operating costs and expenses incurred, by the Existing Business for each month of operations comprising the Measurement Period.

The information was reported to us by the affiliate owner of the Existing Business in the form of financial reports and/or statements.

Written substantiation for the financial performance representation will be made available upon reasonable request. We have not independently audited or otherwise verified these amounts.

Only the Existing Business has earned this much. Your individual results may vary. There is no assurance that you'll earn as much.

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ITEM 19 OF THIS 2023 FDD CONTINUES ON THE FOLLOWING PAGE

Chart No. 1: Gross Sales and Other Historical Performance of Existing Business[#] over the Measurement Period (in U.S. Dollars)

	Jan.	Feb.	March	April	May	June	July	Aug.*	Sept.*	Oct.	Nov.	Dec.	2022 CY Total	Jan. 2023	Monthly Average
Gross Sales[1]	**42,643**	**46,972**	**50,367**	**45,796**	**43,790**	**44,595**	**36,277**	**36,486**	**33,363**	**40,715**	**40,539**	**43,127**	**504,671**	**50,182**	**42,681**
Rent/Occupancy[2]	8,753	8,753	8,753	8,753	4,449	8,904	8,904	8,904	8,904	8,904	8,904	8,904	**101,789**	8,912	**8,515**
Labor[3]	14,832	6,144	13,074	12,888	8,317	7,541	8,310	7,539	9,746	6,486	7,199	7,294	**109,370**	7,814	**9,014**
Advertising & Marketing[4]*	868	1,009	1,550	950	838	1,012	830	989	506	720	1,113	1,312	**11,697**	1,256	**996**
Certain Other Operating Costs and Expenses[5]	2,888	3,843	4,739	6,234	3,735	5,322	4,925	6,267	3,269	5,279	4,646	4,479	**55,626**	4,484	**4,624**
Estimated Royalty[6]	2,559	2,818	3,022	2,748	2,627	2,676	2,177	2,189	2,002	2,443	2,432	2,588	**30,280**	3,011	**2,561**
Estimated Fund Contribution[7]	853	939	1,007	916	876	892	726	730	667	814	811	863	**10,093**	1,004	**854**
Total of Operating Costs/Expenses and Estimated Fees Above[8]	**30,752**	**23,506**	**32,146**	**32,489**	**20,843**	**26,347**	**25,871**	**26,619**	**25,094**	**24,646**	**25,105**	**25,439**	**318,855**	**26,480**	**26,564**
Gross Sales Less Operating Costs/Expenses and Estimated Fees Above[9]	**11,892**	**23,466**	**18,221**	**13,307**	**22,947**	**18,249**	**10,406**	**9,867**	**8,270**	**16,069**	**15,434**	**17,688**	**185,815**	**23,703**	**16,117**

Explanatory Notes to the Chart Above

[#]*General Note(s) Regarding Existing Business.* The Existing Business was opened in Dallas, TX in 2019 and continued operating up to and through the commencement of the Measurement Period. This is different than what a new System franchisee may experience in terms of reputation and operations during their initial phase after opening.

*Importantly, please note that the Existing Business went through renovations and equipment upgrades during the Measurement Period in August and September 2022 wherein it was operating on a reduced capacity or closed for business. Specifically, the Existing Business: (i) operated at reduced capacity for (a) 3 days in August 2022 and (b) 19 days in September 2022; and (ii) closed for business for (a) 7 days in August 2022, and (b) 3 days in September 2022.

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1. *Gross Sales.* For the Existing Business, the term "Gross Sales" means the Gross Sales generated from the offer and sale of all Approved Services and Approved Products, including all client membership agreements, gift card sales and other categories specifically identified in the Chart. The term "Gross Sales" (a) does not include sales tax collected by that Existing Business and paid to the appropriate taxing authority/agency, and (b) accounts for client refunds, chargebacks, and other adjustments.

2. *Occupancy-Related Costs.* For the Existing Business, the term "Occupancy" costs means the amounts that the Existing Business paid in rent and related fees during the relevant Measurement Period. Please note that the rent and other amounts detailed in the Chart above were placed in the month that such fees were due and owing the landlord of the Premises for the Existing Business (which, depending on whether the payment date fell on a weekend or holiday, may have been paid at the end of the preceding calendar month to ensure timely payment).

3. *Labor-Related Costs.* For the Existing Business, the term "Labor" costs means: (a) the salaries, commissions, bonuses and other compensation paid to staff/personnel during the relevant Measurement Period; and (b) associated payroll taxes, incurred over the relevant Measurement Period. Of the total Labor costs detailed in the Chart above, please be advised that some portion was paid to a manager/director that would be similar to the kind of "Designated Manager" you have the right to appoint to manage the day-to-day operations of your Franchised Business.

4. *Advertising & Marketing.* For the Existing Business, the term "Advertising & Marketing" means the actual amounts that the Existing Business expended in total in connection with marketing, advertising and promotion over the Measurement Period, including digital marketing and other advertising activities that you will be required to undertake in connection with your Franchised Business operations as part of your LAR obligations..

   *Importantly, please note that the actual amounts expended by the Existing Business on advertising and marketing services/items over the entire 13-month Measurement Period above amounted to a total of $6,547 less than the minimum Local Advertising Requirement will be under your Franchise Agreement ($1,500/month).

5. *Certain Other Operating Costs and Expenses.* For the Existing Business, the term "Certain Other Operating Costs and Expenses" means the other material expenses that incurred in connection with the that Existing Business over the Measurement Period, including: (i) bank, credit card and other merchant processing fees; (ii) dues and subscriptions; (iii) insurance; (iv) janitorial and cleaning supplies; (v) retail and office supplies; (vi) utilities; and (vii) software licenses and other technology-related expenses that were incurred in connection with the Existing Business operations This range only accounts for the specific operating costs and expenses noted above.

   This amount does not include or account for any other operating costs and expenses not specifically identified and discussed in the Chart above, including those attributable to (a) professional fees, (b) depreciation and/or amortization, or (c) repairs and maintenance.

6. *Estimated Royalty*. The term "Estimated Royalty" means the Royalty Fee that the Existing Business would have had to pay us over the applicable Measurement Period if that Business was owned by a franchisee and governed by our current form of franchise agreement. We calculated the Estimated Royalty for each month by multiplying the Gross Sales by 0.06 (to account for the 6% Royalty Fee described in Item 6). It is important to note that the "Estimated Royalty" figures provided for the Existing Businesses are only an estimate, and these Businesses did not actually pay us this amount because they are not required to pay us any Royalty in connection with operating the Existing Businesses.

7. *Estimated Fund Contribution*. The term "Estimated Fund Contribution" means the Fund Contribution Fee that the Existing Business would have had to pay us over the applicable Measurement Period if that Business was owned by a franchisee and governed by our current form of franchise agreement. We calculated the Estimated Royalty for each Existing Business by multiplying the Gross Sales by 0.02 (to account for our current 2% Fund Contribution described in Item 6). It is important to note that the "Estimated Fund Contribution" figures provided for the Existing Businesses are only an estimate, and these Businesses did not actually pay us this amount because they are not required to pay us any Fund Contribution in connection with operating the Existing Businesses

   No Other Estimated Recurring Fees that Require an Adjustment to the Item 19 Charts. The Existing Business incurred costs and operating expenses related to software and other technology that are comparable to the amounts that a new System franchisee must expend in Technology Fees (accounted for under "Certain Other Operating Costs and Expenses" in the Charts above), under our current form of Franchise Agreement in a given year of operation. As such, we did not estimate or adjust any additional amounts in the Charts disclosed above in this Item 19.

8. **Gross Sales Less Total Operating Costs/Expenses and Estimated Fees Disclosed in the Chart Above.** Please note that this figure (for each month comprising the Measurement Period) is calculated by taking the Gross Sales for that month (or other measurement period described in the Chart above) and subtracting the Occupancy, Labor, Marketing/Advertising, Other Operating Costs/Expenses and Estimated Fees disclosed in the Chart above for that month or period of operations. It does not account for any other operating cost or expense information not specifically identified herein.

General Notes to this Item 19

1. We encourage you to consult with your own accounting, business, and legal advisors to assist you in preparing your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees (once they have been awarded a franchise by us) to discuss their experiences with the system and their franchise business.

2. Please note that this Item 19 does not disclose the initial costs you will incur in connection with constructing, building out and otherwise developing your Franchised Business prior to opening because the figures disclosed focus on the historical performance of each Existing Business once it has opened.

3. The figures provided in this Item exclude certain tax liabilities that you will be responsible for, and do not account for certain professional fees or administrative expenses that you might incur in connection with opening and commencing operations of your Franchised Business, including legal and accounting fees that you incur prior to opening. We suggest you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.

4. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which assets of your Franchised Business may be amortized or depreciated, as well as the effect, if any, of any recent or proposed tax legislation. You should also consult with your tax advisor as it pertains to taxes due on gift card sales because each state has different laws (escheat laws) pertaining to gift cards.

Other than the preceding financial performance representation, we do not make any financial performance representations. Franchisor also does not authorize our employees or representatives to make any such representations orally or in writing. If you are purchasing an existing Business, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Josh Terzo, c/o One Glow Franchise, LLC, 5294 Belt Line Road, Suite 108, Dallas, Texas 75254, the Federal Trade Commission, and the appropriate state regulatory agencies.

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THE 2023 FDD CONTINUES ON THE FOLLOWING PAGE

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2020 TO 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	**2020**	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-owned*	**2020**	1	1	0
	2021	1	1	0
	2022	1	2	+1
Total Outlets	**2020**	1	1	0
	2021	1	1	0
	2022	1	2	+1

**These two (2) Existing Businesses are owned and operated by an entity that is owned, in part, by our owner.*

Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2020 TO 2022

State	Year	Number of Transfers
Total	**2020**	0
	2021	0
	2022	0

Table 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of Year
Total	**2020**	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table 4
STATUS OF COMPANY-OWNED OUTLETS
FOR FISCAL YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Texas	**2020**	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
Total	**2020**	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2

Table 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2022

State	Franchise Agreement Signed But Unit Not Yet Open	Projected New Franchised Units Opening in Fiscal Year 2023	Projected New Company-Owned Units in Fiscal Year 2023
Total	**0**	**0**	**0**

As we are a new franchise offering, please be advised that we do not currently have any franchisee or former franchisee information to disclose.

In the future, a list of the names, addresses and telephone numbers of our current franchisees as of the original issuance date of this Disclosure Document, as well as a list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, are attached as **Exhibit H**.

If you buy the franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the franchise system.

In the last three fiscal years, we have not required franchisees to enter into any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

As of the Issue Date, there are no trademark-specific franchisee organizations that require disclosure under this Item.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit F of this Franchise Disclosure Document is our opening day audited balance sheet as of January 24, 2023.

We have not been franchising for three (3) years and, as such, we do not have the audited financial statements that would otherwise require disclosure language. Our year end is December 31st.

ITEM 22

CONTRACTS

Copies of the following contracts or documents are also attached as Exhibits to the Disclosure Document that you may be required to execute in connection with your franchise purchase:

Franchise Agreement (and Exhibits)	Exhibit B
Development Agreement (and Exhibits)	Exhibit C
State Specific Addenda (if and as applicable)	Exhibit I
Confidentiality and Non-Disclosure Agreement (if an as required)	Exhibit G
Sample Form of General Release Agreement (example only)	Exhibit H
Franchisee Questionnaire	Exhibit J

ITEM 23

RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit L. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy via certified mail to us at: Attn: Josh Terzo, c/o One Glow Franchise, LLC 5294 Belt Line Road, Suite 108, Dallas, Texas 75254.

EXHIBIT A TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

LIST OF AGENTS FOR SERVICE OF PROCESS

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LIST OF STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 West 4th Street
Suite 750
Los Angeles, California 90013
1-866-275-2677

Florida
Florida Department of Agriculture & Consumer Services
Division of Consumer Affairs
PO Box 6700
Tallahassee, Florida 32314-6700

Hawaii
Business Registration Division
Securities Compliance Branch
Department of Commerce & Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813

Illinois
Office of Attorney General
Franchise Division
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
Franchise Section
Indiana Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

Maryland
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, NE 68508

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8285

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
Department of Labor and Regulation
Division of Securities
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501

Texas
Statutory Document Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

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Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Ninth Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin
Department of Financial Institutions
Division of Securities
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

LIST OF AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677

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

Illinois
Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

Indiana
Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Kentucky
Commonwealth of Kentucky
Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive
P.O. Box 2000
Frankfort, Kentucky 40602

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

Michigan
Michigan Department of Attorney General
Consumer Protection Division
Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

Nebraska
Nebraska Department of Banking and Finance
Bureau of Securities
1526 K Street, Suite 300
PO Box 95006
Lincoln, Nebraska 68508

New York
Secretary of State
99 Washington Avenue
Albany NY, 12231

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities
Department of Business Regulation
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920

South Dakota
Director of the Division of Securities
Department of Labor and Regulation
124 S. Euclid Ave., Suite 104
Pierre, South Dakota 57501

Texas
Statutory Documents Section
Secretary of State
P.O. Box 13550
Austin, Texas 78711

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Virginia
Clerk of the State Corporation Commission
1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

Wisconsin
Administrator
Division of Securities
Department of Financial Institutions
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

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EXHIBIT B TO
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

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ONE GLOW FRANCHISE, LLC
FRANCHISE AGREEMENT

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Exhibit A: Data Sheet
Exhibit B: Form of Personal Guaranty
Exhibit C: Form of Collateral Assignment and Lease Addendum/Consent with Landlord
Exhibit D: EFT Withdrawal Authorization Form
Exhibit E: Form of Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Officers/Directors of the Franchisee)
Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names

ONE GLOW FRANCHISE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on _____ ("Effective Date"), by and between: (i) One Glow Franchise, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108 Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

RECITATIONS

A. Franchisor, as a result of the expenditure of time, skill, effort, and money, has developed and owns a unique system (the "System") related to the establishment, development, opening, and operation of a business (each, a "Business") that offers and provides (i) infrared sauna sessions, chromotherapy, red light therapy, and halotherapy in a relaxing modern environment (collectively, the "Approved Services"), and (ii) certain designated lines of beauty and wellness products, branded apparel and merchandise, and any other retail inventory and any other products Franchisor authorizes Franchisee to sell at retail from the Business (the "Approved Products"), all while utilizing the then-current proprietary marks Franchisor designates (the "Proprietary Marks").

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements such as: proprietary methodology and procedures for the establishment and operating procedures of the Franchised Business; instructions and System standards regarding the methodology used in providing certain of the Approved Services, as well as offering and selling certain Approved Products; existing relationships with suppliers of certain of the Approved Products, as well as various items and services you will need to purchase and/or utilize in connection with the establishment and/or ongoing operation of the Franchised Business; site selection guidelines and criteria, as applicable, for the Franchised Business; standards and specifications for the design, layout and construction of the interior and exterior of a typical Business; standards and specifications associated with trade dress and décor of a typical Business; standards and specifications for the furniture, fixtures and/or equipment located within the Franchised Business; established relationships with approved or designated suppliers for certain inventory and other supplies necessary to provide the Approved Services; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. Franchisor may change, improve, further develop, or otherwise modify the System from time to time, as Franchisor deems appropriate in Franchisor's discretion.

C. The System and Businesses are identified by Franchisor's Proprietary Marks, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor owns or has obtained a license to use and license others to use in connection with the System. The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Business utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a franchise for the right to operate a single franchised Business from an approved location, and has submitted an application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

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

1. ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, employee, or agent, has not made, and Franchisee has not received, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document that Franchisee acknowledges was timely disclosed prior to Franchisee entering into this Agreement (the "FDD").

B. The business venture contemplated by this Agreement involves business risks.

C. Franchisee's success will be largely dependent upon Franchisee's ability as an independent businessperson.

D. Franchisee has received, read, and does understand this Agreement and any attachments.

E. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.

F. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial and other aspects of this Agreement, the franchised Business, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

G. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee.

H. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

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

J. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques. Franchisee recognizes and acknowledges that, as of the date this Agreement is executed, Franchisor does not own formal federal trademark registrations for its primary Proprietary Marks and may modify such marks at any time it determines appropriate.

K. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor (the "FDD").

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

M. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those that are specifically required to offer and provide the Approved Services that are necessary to operate the Franchised Business at the Premises (defined below) and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located.

N. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Business (franchised or otherwise); and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single franchised Business (the "Franchised Business").

B. **Approved Premises.** The Franchised Business must be operated from a single location that Franchisor reviews and approves in writing (the "Premises").

i. If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisor will designate a general marketing area (the "Site Selection Area") on the data sheet attached to this Agreement as Exhibit A (the "Data Sheet") wherein Franchisee must locate and secure the Premises as detailed in Section 6(A) of this Agreement.

ii. Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit other new franchisees to search for the location of their franchised Business within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines that the Site Selection Area is large enough to contain additional franchises; and (iii) potential locations for each franchised Business, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.

iii. Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet.

C. **Relocation of Premises**. Franchisee may only use the Premises to operate the Franchised Business. Franchisee may not relocate the Franchised Business to any location other than the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of the Franchised Business; and (ii) at Franchisor's request and option, Franchisee pays Franchisor a relocation fee amounting to up to $2,000 ($1,000 due upon request; balance due when relocation addendum is signed) plus the costs and expenses Franchisor incurs in connection with evaluating and approving the relocation request.

D. **Designated Territory.** Upon locating and securing a Premises, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor will not open or establish, or license a third party the right to open or establish, another Business from a physical location that utilizes the System and Proprietary Marks (the "Designated Territory"), for so long as Franchisee is in compliance with this Agreement. The boundaries of the Designated Territory once determined by Franchisor, if any, will be set forth in the Data Sheet.

E. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not afford Franchisee any rights or options to open any additional Businesses and that Franchisee does not have any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Businesses, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

F. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its parent/affiliates reserve the exclusive right to conduct the following activities under

this Agreement: (i) establish and operate, and license any third party the right to establish and operate, other Businesses and Franchised Businesses using the Marks and System at any location outside of the Designated Territory; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory; (iii) use the Marks and System, as well as other such marks Franchisor designates, to distribute any Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Designated Territory (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have Franchisor or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Approved Services (but under different marks), within or outside the Designated Territory; (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a physical location, anywhere inside or outside of the Designated Territory; (vi) own and operate Businesses in "Non-Traditional Locations" including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, sports arenas and stadia, train stations, casinos, both within or outside Franchisee's Designated Territory; and (vii) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in this Agreement.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System.

3. TERM AND RENEWAL

A. **Initial Term.** Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

B. **Renewal Requests and Conditions.** Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive terms of five (5) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. At the time the renewal request is made, Franchisee is not in default of any provision of this Agreement, any amendment thereof or successor hereto, or any other agreement between Franchisee and Franchisor or the landlord of the Premises. Franchisee must also have complied with the terms and conditions of all the foregoing agreements during the term of this Agreement, as Franchisor determines in its reasonable discretion.

2. All obligations owed by Franchisee to Franchisor, its affiliates and landlord of the Premises must have been satisfied at the time of the renewal request, and must have been timely performed throughout the term of this Agreement.

3. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

4. Franchisee pays Franchisor a renewal fee amounting to $5,000 at least ninety (90) days prior to the expiration of the then-current term.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee or transferee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly-opened System Business.

4. FEES AND PAYMENTS

A. **Overview of Fees and Amounts Payable by Franchisee**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, the supplier that Franchisor designates or approves in writing (each, an "Approved Supplier"):

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to Forty Thousand Dollars ($40,000.00) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Royalty Fee.* Franchisee must pay Franchisor an ongoing royalty fee amounting to the greater of (a) 6% of the Gross Sales of Franchisee's Franchised Business, and (b) a minimum of $1,000 per month (collectively, the "Royalty" or "Royalty Fee").

   a. Franchisor will waive the minimum Royalty due hereunder during the initial 3-month period following the earlier of (a) the date the Franchised Business is actually opened, and (b) the date Franchisee is required to open

the Franchised Business hereunder or, if applicable, under any form of area development agreement that Franchisee has executed in connection with the Franchised Business (the "Waiver Period").

b. In the event the Royalty Fees paid to Franchisor in connection with a given month of Business operations does not amount to at least $1,000 after the Waiver Period, then Franchisor will have the right to collect a shortfall payment via Franchisee's EFT account (discussed more fully below in this Section) amounting to (a) $1,000, less (b) the Royalty Fees actually paid to Franchisor in connection with the Franchised Business in connection with that month of operations.

c. The Royalty Fee, as well as all other recurring fees described in this Agreement, may be collected or remitted directly to Franchisor using any of the methods described more fully in Section 4(B) of this Agreement.

3. *Fund Contribution.* Franchisee must contribute to the brand development fund that Franchisor establishes for purposes of marketing, advertising, promoting and otherwise developing the System, Proprietary Marks and/or brand generally (the "Fund") in an amount equal to up to two and one-half percent (2.5%) of the Gross Sales of the Franchised Business (the "Fund Contribution"), as set forth more fully in Section 9 of this Agreement.

4. *Technology Fee.* Franchisee must pay Franchisor or its Approved Supplier a technology fee in connection with technology products or services Franchisor determines to (a) associate or utilize in connection with the System, and (b) use the Technology Fee to cover all or certain portion of the corresponding costs (the "Technology Fee").

5. *All Other Amounts Due in Connection with the Franchised Business.* In addition to the specified fees and amounts above, Franchisee will be required to pay or expend in connection with: (i) the local advertising and promotion of the Franchised Business via Franchisee's local advertising requirement set forth in Section 9 of this Agreement (the "Local Advertising Requirement"); (ii) any and all ongoing training fees described herein; (iii) building out and constructing the Franchised Business, including all initial inventory and suppliers necessary to commence operations; (iv) a monthly music licensing fee (if and as required in connection with music Franchisee determines to play at the Premises; and (v) the items and services that Franchisee will be required to obtain and/or maintain throughout the term of this Agreement in accordance with Franchisor's System standards and specifications. Franchisor may require Franchisee to purchase any of the foregoing items or services from Franchisor, its affiliate or any other Approved Supplier.

B. **Method of Payment; EFT Account Authorization.**

1. *Payment Collection Methods.* Franchisor reserves the right to collect any and all fees described in Section 4(A) that are not paid upon execution of the Franchise Agreement via any method that Franchisor determines appropriate, including without limitation: (i) by collecting the amounts owed directly through the business management software,

point-of-sale ("POS") and/or payment processing software that Franchisor designates for use in connection with the Franchised Business before the balance of any Gross Sales collected via such software is remitted to Franchisee; and/or (ii) via an electronic funds transfer program (the "EFT Program") under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account").

2. *EFT Program Participation.* In the event any amounts are collected from or remitted to Franchisee via an EFT Program, Franchisee must deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

C. **Franchisor's Right to Access Required Software and Other Computer System Components.** Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view any (a) business management, POS, payment processing or other software that Franchisor requires or designates for use in connection with the Franchised Business (collectively, the "Required Software"), and/or (b) any other component of the computer system Franchisor requires for use in connection with the Franchised Business (collectively, the "Computer System") operations, via the Internet or other electronic means or by visiting the Business, in order to obtain Gross Sales and other available information that Franchisor reasonably requests about the Franchised Business. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet or other website portal that Franchisor establishes in connection with the System.

D. **Gross Sales Definition.** For purposes of this Agreement, the "Gross Sales" means the total revenue generated by the Franchised Business, including all (a) revenue generated from the sale and provision of memberships, sauna-related services, gift cards (in accordance with any then-current gift card System policies and procedures), Approved Services and/or Approved Products via the Franchised Business, and (b) proceeds from any business interruption insurance that Franchisee collects in connection with any inability to operate the Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. "Gross Sales" does not include (a) tips paid to employees directly by clientele, whether by cash or credit card, that is not paid to the Franchised Business, and (b) the sale of products or services for which refunds have been made in good faith to customers or any reduction in revenue due to coupon or promotional sales., and (c) sales tax or other taxes collected from customers by Franchisee and paid directly to the appropriate taxing authority.

E. **Right to Modify Payment Interval.** The parties agree and acknowledge that Franchisor may designate and subsequently modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice. In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

F. **Late Payments; Non-Sufficient Funds or Dishonored Check**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full. Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of the greater of (a) 1.5% per month (18% per year), or (b) highest commercial contract interest rate applicable laws permit. Franchisee must pay Franchisor $100 per occurrence if a check that Franchisee provides to Franchisor is dishonored by the bank or if Franchisee's EFT Account does not have sufficient funds to cover amounts owed to Franchisor under the Franchise Agreement.

G. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor. Franchisor shall be responsible for all taxes, charges, or assessments that are assessed and accessible under applicable law against Franchisor by a relevant taxing authority in connection with the revenue the Franchisor actually collects and receives from Franchisee in connection with this Agreement.

H. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor, in its sole determination, may elect to waive the Royalty Fee for a period no greater than one hundred twenty (120) days commencing with the month in which the Franchisee gives Franchisor notice of the damage or loss.

I. **Security Interest.** Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interests or rights in and to the real estate where the franchise is located (if Franchisee purchases its Premises), and all improvements to that real estate if the Franchised Business. Franchisee further grants to Franchisor a security interest in all furniture, furnishings, equipment, fixtures, inventory, and supplies located at or used in connection with the Franchised Business, whether now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions, and replacements therefore, as well as all cash and non-cash proceeds derived from insurance, the disposition of any such collateral to secure payment and performance of all debts, liabilities, and obligations of any kind of Franchisee to Franchisor under this Agreement, whenever and however incurred, any promissory note given by Franchisee to Franchisor, or any other agreement between them. Franchisee hereby authorizes Franchisor to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents necessary or desirable to evidence, perfect, and continue the priority of the security interests granted herein. Franchisee agrees and understands that it must promptly execute and deliver any such documents to Franchisor upon request. Franchisor will agree to subordinate its security interest to any security

interest of a lender that provides Franchisee purchase money financing to acquire assets and/or leased equipment required to start the Franchised Business, if the secured party agrees with Franchisor in writing that in the event of any default by Franchisee, Franchisor shall have the right at Franchisor's option to be substituted as obligor to the secured party and to cure any default.

5. DUTIES OF FRANCHISOR

A. **Initial Training Program**. Subject to Franchisee's payment of all initial amounts owed to Franchisor upon execution of the Franchise Agreement, Franchisor shall offer and make available an initial training program (the "Initial Training Program") for up to two (2) persons designated by Franchisee tuition-free, provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, one of the other attendees must be Franchisee's manager that will be responsible for the day-to-day management of the Franchised Business (the "Designated Manager"). The Initial Training Program will be conducted at Franchisor's corporate headquarters or other training location that Franchisor designates, subject to the schedules and availability of Franchisor's training personnel. Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current initial training fee for each individual that attends in addition to the first two (2) persons (as well as any expenses incurred).

B. **Replacement Personnel Training**. Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current Training Fee (as well as any costs and expenses incurred).

C. **Additional and Refresher Training**. Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor may require Franchisee and its designated attendees to pay its then-current training tuition fee in connection with attending additional/refresher training (in addition to Franchisee's obligation to pay for any expenses incurred). Franchisor will not require Franchisee and its management to attend more than five (5) days of additional/refresher training each year.

D. **Operations Manual and other Manual(s).** Franchisor will loan Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). Franchisor will also provide Franchisee with access to a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Approved Services then-authorized by Franchisor that Franchisee is authorized to offer, sell or provide at and from the Franchised Business. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee.

E. **System Site(s).** Franchisor may (but is under no obligation to) establish and maintain a website portal or other online or cloud-based website for use by Franchisee and other Business owners (each, a "System Site"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise contained on that System Site. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

F. **Proposals Regarding Premises; Site Selection Criteria.** Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor may require that Franchisee use an Approved Supplier for site selection assistance. Franchisor will also review and approve of any location the Franchisee proposes for the Franchised Business. Franchisor must approve of Franchisee's proposed location, as well as the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of the form of collateral assignment of lease and addendum attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

G. **Initial Marketing Spend; Pre-Opening Support Program**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting an initial marketing plan designed to generate pre-opening leads for prospective clientele and/or conversion of those leads, and (b) otherwise promote the Franchised Business within the Designated Territory (the "Pre-Opening Support Program"), which program will be conducted at Franchisee's expense utilizing the initial marketing spend described in Section 9 of this Agreement (the "Initial Marketing Spend").

H. **Continuing Assistance.** Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

1. Franchisor may provide such assistance via group webinar, telephone, fax, intranet communication, email, app or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

2. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).

I. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described in Section 9 of this Agreement.

J. **Website.** For so long as Franchisor has an active website containing content designed to promote Franchisor's brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email address(es), as it deems appropriate in its discretion, which Franchisee must use only in connection with the Franchised Business.

K. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

L. **Inspections of the Franchised Business and Premises**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises and inspecting any and all books and records, and conducting mystery shop services.- Inspections of the Premises will only occur during normal business hours and will only involve the physical area of the Premises specifically devoted to the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations. Franchisor reserves the right to be reimbursed the fee charged by the supplier of the mystery shop program if Franchisee fails a mystery shop inspection.

M. **Administration of Fund**. If and when established, Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

N. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

O. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

P. **Franchisee Acknowledgement Regarding Franchisor's Fulfillment of Pre-Opening Obligations**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

Q. **Annual Conference**. Franchisor may establish and conduct an annual conference for Business owners and operators, and may require Franchisee to attend this conference for up to five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages).

6. DUTIES OF FRANCHISEE

A. **Securing a Premises.** Franchisee must secure a Premises within the Designated Territory within five (5) months of executing this Agreement, unless Franchisor agrees to an extension of time in writing. If Franchisor designates an Approved Supplier for site selection assistance, then it is strongly recommended that Franchisee use this Approved Supplier. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that the Lease contains the following terms as a condition to Franchisor's approval thereof:

1. The leased Premises will only be used as a Franchised Business that only offers the Approved Products and Approved Services designated or otherwise approved by Franchisor.

2. Franchisor has the right to enter the Premises to make any modifications necessary to protect Franchisor's Proprietary Marks;

3. Upon Franchisor's request, the landlord shall supply Franchisor with a current copy of the Lease;

4. The landlord will notify Franchisor in writing of and upon the failure of Franchisee to cure any default by Franchisee under the Lease, and provide Franchisor with an opportunity to cure the default on behalf of Franchisee within a reasonable period of time;

5. Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the business premises, including the right to sublease to another party operating a franchised Business, for all or any part of the remaining term of the Lease upon: (i) Franchisee's default or termination under this Agreement; or (ii) Franchisee's default, termination, or expiration (and failure to renew) of the Lease. In connection with this assumption, Franchisor will not be obligated to pay to the landlord past due rent, common area maintenance, and/or other charges attributable to more than one (1) month. The landlord shall give Franchisor thirty (30) days upon termination of Franchisee's rights under the Lease to exercise this option, which Franchise must do in writing;

6. The Lease may not be amended, assigned, or terminated by the Franchisee without Franchisor's prior written approval.

Upon the surrender of the Premises, Franchisee must conduct a physical inventory so that there is an accurate accounting of inventory, fixtures, furniture, supplies and equipment on hand, and shall provide a signed copy of this physical inventory to Franchisor as of the date of surrender of the Premises. Franchisor shall have the right to enter the Premises at its convenience and conduct said physical inventory on its own.

B. **Lease Compliance.** Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 6(A) above and assumes control of the Premises and the operation of the former Franchised Business upon the termination or expiration of the Lease, the future operation of that Business by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

C. **Building Out and Opening Franchised Business.** Franchisee must complete all construction and build-out of the Premises in a manner consistent with Franchisor's System standards, specifications and any agreed-upon plans and open the Franchised Business to the public no later than nine (9) months after the date this Agreement is executed. Franchisor may recommend that Franchisee use an Approved Supplier for construction management services. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Business at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee without the necessity of further action or documentation by either party.

D. **Licenses and Permits for Franchised Business**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises in the Designated Territory, including all required licenses and permits related to the offer and provide sauna therapy services and the other Approved Services and Approved Products provided at the Franchised Business.

E. **Licensing Requirements for Personnel**. To the extent applicable in the state where the Franchised Business is located, Franchisee must ensure that the applicable Approved Services provided at the Franchised Business are only conducted by individuals that have the necessary licenses and/or other certifications or approval, if any, necessary to provide the Approved Services at issue.

F. **Provision of Authorized Services and Products Only.** Franchisee must only offer and only sell the Approved Products and Approved Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Approved Services are offered and sold without Franchisor's prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Products and Approved Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between

Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

G. **Other Devices Prohibited at Premises**. Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, Internet kiosks, or any other electrical or mechanical device in the Business other than those Franchisor prescribes or approves.

H. **Fixtures, Furniture, Signs and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Business more than once every five (5) years, unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.

I. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

J. **Required Items**. Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Business, including without limitation, all products, supplies, inventory, fixtures, Computer System, parts, and materials required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from Required Item purchases.

K. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's procedure for evaluating and approving such request and Franchisor reserves the right to

reimbursement of its actual expenses incurred in connection with the evaluation not to exceed $500 per request. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

L. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business.

M. **Promotional Materials Display.** Franchisee must openly and prominently display franchise promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials or other promotions that Franchisor designates.

N. **Initial Training Program and Other Training/Conference Attendance**. Franchisee and each of its management personnel must attend and successfully completed the Initial Training Program within at least thirty (30) days prior to the "soft opening" of the Franchised Business, and Franchisor reserves the right to charge its then-current Training Fee in connection with each person that attends the program in addition to the first three (3) individuals. Franchisee must also cover all costs associated with personnel of Franchisee attending the Initial Training Program. Franchisor will offer training at its corporate offices and on-site at the Franchised Business. Franchisee must also complete

any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year, and Franchisee must attend Franchisor's annual conference if conducted. Any failure to attend and complete the Initial Training Program or other training/conferences described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

O. **Training of Employees**. Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the Business Management System and related computer system components, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one person that has completed the Initial Training Program must manage the Franchised Business at all times.

P. **Hours of Operation**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and must ensure that the Franchised Business is sufficiently staffed.

Q. **Image**. Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Premises is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures remain in good, clean condition and is properly displayed. Franchisor may require Franchisee to refurbish, renovate and/or otherwise substantively modify the interior of the Franchised Business, including the furniture, fixtures and equipment used at the Premises, no more than once every five (5) years (unless the change is required in connection with a renewal or transfer of this Agreement) so that the Premises and Franchised Business conform with Franchisor's then-current System standards and specifications for a new System Business.

R. **Client/Customer Lists, Agreements and Information.** Franchisee must (i) maintain a list of all of its current and former clients, as well as a copy of each such client's (a) membership agreement(s), and (b) history of Approved Services received at the Franchised Business (collectively, the "Customer Information"); and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly provide or return all copies of Customer Information, which is deemed "Confidential Information" and Franchisor's exclusive property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

S. **Promotional Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines as set forth in any update to the Manuals or otherwise in writing. As an independent contractor under this Agreement, however, Franchisee may exercise flexibility in meeting competition, offering membership specials, and adapting to local market conditions. Franchisor may request information from Franchisee that has been used to substantiate any reduction in pricing to meet market conditions.

T. **Operation of Franchised Business and Customer Service**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor may outline in the Manuals or otherwise in writing.

U. **Access for Inspections/Audit**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) inspect the Premises; (ii) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (iii) interview personnel and customers of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

V. **Personal Participation by Franchisee**. Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

W. **Credit Cards and Payment Methods**. Franchisee agrees to accept credit cards at the Premises to facilitate sales, including Visa, MasterCard, American Express and Discover and any other major credit cards designated by Franchisor.. Franchisee must comply with all applicable laws, regulations and rules related to credit card acceptance and processing, including Payment Card Industry (PCI) security standards.

X. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

Y. **Employment Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

7. PROPRIETARY MARKS

A. **Ownership of Proprietary Marks.** Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use.** It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage.** To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals; and

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the mark(s) used to identify this business under a license agreement with One Glow Franchise, LLC."

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manual, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee

obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks.** Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

G. **Modification or Substitution of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

H. **Cease Use of Marks on Termination/Non-Renewal**. Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner whatsoever, of any of the Proprietary Marks or any other Proprietary Marks or trade names that may be confusingly similar to the Proprietary Marks.

I. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the term "Now" or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release,

indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

J. **Non-Exclusive Use of Proprietary Marks.** Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

K. **Acknowledgements.** With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

L. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

M. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

N. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with

Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

O. **Other Obligations of Franchisee.** In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL/CONFIDENTIAL INFORMATION

A. **Compliance with Manuals.** In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals.

B. **Franchisee's Control of Business.** Franchisee acknowledges the Manuals provided by Franchisor to Franchisee is intended to protect Franchisor's standards, systems, names, and marks and is not intended to control day-to-day operation of Franchisee's business. Franchisee further acknowledges and agrees that Franchisee's Business will be under the control of the Franchisee at all times. Franchisee will be responsible for the day-to-day operation of the business.

C. **Confidential Information.** In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or Confidential Information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and Confidential Information include the following:

1. The Manuals;

2. Customer lists and/or customer agreements;

3. Information that relates in any manner to Franchisor's business or the System, including without limitation, information relating to Franchisor's marketing materials and methods whether oral or reduced to writing, that is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and

4. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor.** Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Proprietary.** Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as hereinafter defined) is information which:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality.** Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure.** Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its owners, managers, officers, directors, shareholders, partners, and all of their respective spouses who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the

Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.

I. **Manuals.** Franchisor will provide Franchisee with access to the Manuals. The Manuals shall at all times remain the sole property of Franchisor and must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.

J. **Modification of Manuals.** In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions. Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its corporate headquarters or otherwise online shall be controlling. Out-of-date pages must be returned to Franchisor immediately upon replacement. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

K. **Improvements.** Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently

use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Franchisor Approval.** All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have thirty (30) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this thirty (30) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Initial Marketing Spend.** Franchisee shall expend between $10,000 and $15,000 (the "Initial Marketing Spend") on services and items designed to market, advertise and promote the Franchised Business and Approved Services, and/or (b) otherwise generate client/customer leads to sign up for packages or memberships that the Franchised Business is authorized to offer, as Franchisor designates or approves as part of Franchisee's Pre-Opening Support Program. The exact amount that Franchisee must expend on its Initial Marketing Spend shall be determined and designated by Franchisor to Franchisee in writing once Franchisee secures an approved Premises from which to operate the Franchised Business.

D. **Local Advertising Requirement**. Once the Franchised Business is open and operating, Franchisee must expend an amount equal to the greater of (a) 1.75% of the Gross Sales generated by the Franchised Business over the immediately preceding calendar month of operations, or (b) $1,500, each month on the marketing, advertising and promotion of the Franchised Business within the Designated Territory (the "Local Advertising Requirement" or "LAR"). Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures on local advertising and marketing. Franchisee must ensure that the Franchised Business is listed in the yellow pages and appropriate Internet-based directories that Franchisor designates.

E. **Brand Development Fund**. Franchisor has established a brand development Fund designed to promote, advertise, market and otherwise further develop the System, Proprietary Marks and Franchisor's brand generally. Franchisor reserves the right to require Franchisee to contribute to the Fund in an amount equal to up to two and one-half percent (2.5%) of the Gross Sales generated by the Franchised Business over the preceding reporting period (whether monthly or other interval).. All payments by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums

paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Approved Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to Businesses operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor shall, on an annual basis, account for the operation of the Fund and prepare an audited financial statement evidencing such accounting, which will be available to Franchisee upon its written request ninety (90) days after the Franchisor's fiscal year end. Franchisor may dissolve the Fund at any time after it is established.

F. **Advertising Council (Advisory Capacity).** Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding

the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Businesses , or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor.

G. **Website**. Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook®, Instagram®, TikTok®, LinkedIn®, Snapchat®, Twitter® or YouTube®, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

H. **Regional Cooperatives.** Franchisor may establish regional advertising cooperatives that are comprised of multiple Business owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's Local Advertising Requirement each month. All amounts paid to a Cooperative will be credited towards Franchisee's Local Advertising Requirement.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of

franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**. Franchisee shall record all transactions and Gross Sales of the Franchised Business using the Required Software and any other appropriate Computer System components designated by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4 of this Agreement.

D. **Computer System Files and Passwords**. Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects that Franchisee is involved in or working with.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

G. **Required Reports**. Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales Report as described in Section 4 of this Agreement on or before Monday of each week; (ii) on or before the

fifteenth (15th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within thirty (30) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within thirty (30) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within forty-five (45) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position (e.g. working capital and cashflow), and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request. If Franchisee fails to provide Franchisor with any required report on time, Franchisor may charge Franchisee its then-current late reporting fee (the "Late Reporting Fee") per late report.

H. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period, then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.

I. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the designated managers that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE AND INDEMNIFICATION

Required Insurance. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. Franchisee may be required to acquire and maintain such insurance from an Approved Supplier that Franchisor designated in the Manuals or otherwise. Otherwise, Franchisee must acquire such insurance from a reputable carrier that is rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies). Franchisor may increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor.

The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid).

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates, parent(s), predecessor(s), subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense.

12. INDEPENDENT CONTRACTOR

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This franchised Business is independently owned and operated pursuant to a license agreement." Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's

prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in

the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D).

D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than to: (i) a corporation or limited liability company as set forth in Section 13(C) hereof; or (ii) a parent, spouse, or direct lineal descendant of Franchisee), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of, and agreement to faithfully perform all of Franchisee's obligations under, this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee must pay Franchisor a transfer fee equal to $10,000, and Franchisee and/or transferee may demonstrate that it has paid (or is in position to pay) any third-party broker fees associated with the transaction, except in the following circumstances where Franchisor only reserves the right to charge an administrative fee amounting to $500: (i) assignment in the event of death or disability of Franchisee (or, if applicable, its principal operator or owner); and (ii) the assignment of this Agreement and/or Franchised Business from an individual Franchisee to an entity that he/she wholly owns;

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program at the transferee's expense within the time frame Franchisor sets forth;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

13. The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

14. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document; and

15. Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Business as Franchisee has supplied Franchisor hereunder.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training fees subject to Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) Franchisee is, and at all times remains, the owner of 100% of the outstanding shares of the corporation or a controlling interest in the limited liability company; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Business Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Business Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with (a) any concept or other business that provides sauna therapy or other of the Approved Services involving a sauna or similar equipment (each, a "Competing Business"), or (b) any business that offers or grants licenses or franchises, or establishes joint ventures, in connection with the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any Business operated by Franchisee under a

franchise agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

3. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business competing in whole or in part with Franchisor granting franchises or licenses for Competing Businesses. The geographic scope of this covenant shall be anywhere where Franchisor has franchises or is actively offering or selling franchises.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in or involvement with any Competing Business: (i) at the Premises; (ii) within the Designated Territory; or (iii) within a twenty-five (25) mile radius of the perimeter of the Designated Territory being granted hereunder or any other designated territory licensed by Franchisor to a franchised Business as of the date of expiration or termination of this Agreement;

   b. (i) Solicit business from customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, or (ii) subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment; or

   c. Subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

C. **Intent of the Parties and Reasonableness.** It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 14 shall be tolled during any default under this Section 14.

D. **Confidentiality and Non-Competition Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any of Franchisee's employees that have access to Franchisor's Confidential Information and any officers, directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same for as the document attached to this Agreement as Exhibit E). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principal's default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; or (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access to Franchisee's POS system, Computer System or registers located at the Franchised Business as required under this Agreement, and fails to remedy this default within twenty-four (24) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates or any of its Approved Suppliers any amount that is due and owing Franchisor within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the sole opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period; or

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers; or if Franchisee loses its approval from any city, state, or other regulatory agency to operate a business that provides any of the Approved Services.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any),then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand.** Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of Franchise at or with respect to the Premises;

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Client Agreements, Telephone/Facsimile Numbers and Domain Names.** Take such action as may that Franchisor designates in writing to: (i) provide the then-current and up-to-date Customer Information to Franchisor; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the Franchised Business, as well as all white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, it will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are characteristic of the System “trade dress” from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass;

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **Payment of Amounts Due**. Pay Franchisor, as well as each of Franchisor’s Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within 10 days of the termination or expiration date.

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

H. **Collateral Assignment of Lease.** At Franchisor's option exercisable at any time 30 days following the expiration or termination of this Agreement, undertake the steps necessary with Franchisor and the landlord of the Premises to assign the lease for such Premises to Franchisor in accordance with the terms and conditions set forth in the Collateral Assignment of Lease and Lease Addendum attached to this Agreement as Exhibit C.

I. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by

Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

19. ENFORCEMENT

A. In order to ensure compliance with this Agreement and enable Franchisor to carry out its obligation under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or without notice, full and complete access during business hours to inspect the Premises and all records thereof, including but not limited to, records relating to Franchisee's customers, suppliers, employees, and agents. Franchisee shall cooperate fully with the Franchisor and its designated agents requesting such access.

B. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

B. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

C. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If either party institutes any legal action to interpret or

enforce the terms of this Agreement, and such party's claim in such action is denied or the action is dismissed or if otherwise determined by the court or authority adjudicating such action, the prevailing party shall be entitled to recover its reasonable attorneys' fees and all other reasonable costs and expenses incurred in the same, and to have such an amount awarded as part of the judgment in the proceeding.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	One Glow Franchise, LLC Attn: Joshua Terzo 5294 Belt Line Road, Suite 108 Dallas, Texas 75254
With a copy to:	Fisher Zucker, LLC Attn: William R. Graefe 21 South 21st Street Philadelphia, PA 19103
To Franchisee:	_____ _____ _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law.** This Agreement is governed by the laws of the state of Texas without reference to this state's conflict of laws principles (subject to state law).

B. **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation.** At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B)

above, will be submitted first to mediation to take place at Franchisor's then-current headquarters (or other nearby location that Franchisor approves) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue.** Subject to Sections 22(B)-(D) of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated in the state court of general jurisdiction closest to Dallas, Texas or, if appropriate, the United States District Court for the Northern District of Texas. Franchisee acknowledges that this Agreement has been entered into in the State of Texas, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Texas, including but not limited to training, assistance, support and the development of the System. In recognition

of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

J. **Waiver of Punitive Damages.** Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. Except for any damages or losses incurred by Franchisor as a result of or arising out of any of Franchisee's (a) breach of its non-compete or confidentiality obligations under the Franchise Agreement, (b) misuse or breach of its obligations under the Franchise Agreement as it relates to or arises out of the Proprietary Marks or the System, (c) fraud or willful misconduct, or (d) any other illegal conduct or bad faith actions, Franchisor hereby waives to the fullest extent permitted by law, any right to or claim for any punitive damages (and only punitive damages) against Franchisee arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise). If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Franchisee's waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor

from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS OR OTHER COLLECTIVE ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this

Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent evaluation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subjects.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

[The remainder of this page is left intentionally blank.
Signatures to appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the Effective Date

FRANCHISOR:

ONE GLOW FRANCHISE, LLC

By: _____

Print Name: Joshua Terzo

Title: Chief Executive Officer

Date: _____

FRANCHISEE:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

THIS DATA SHEET AND STATEMENT OF OWNERSHIP ("Data Sheet") is made and entered into on _____ ("Effective Date"), by and between: (i) ONE GLOW FRANCHISE, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108 Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

1. SITE SELECTION AREA

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee must locate and secure a Premises for the Franchised Business within the following Site Selection Area:

_____
_____
_____

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

_____
_____
_____

3. PROTECTED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____
_____
_____
_____

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

©2023 ONE GLOW FRANCHISE, LLC

Facsimile No.: _____

E-mail Address: _____

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, the undersigned has duly executed this Data Sheet as of the Effective Date.

FRANCHISEE

_____

By: _____

Name:_____

Title:_____

OWNERS
(SHAREHOLDERS/MEMBERS/PARTNERS/ETC.)

By: _____

Name:_____

By: _____

Name:_____

By: _____

Name:_____

By: _____

Name:_____

FRANCHISOR

ONE GLOW FRANCHISE, LLC

By: _____
Joshua Terzo, Chief Executive Officer

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

This personal guaranty ("Guaranty") is hereby made effective as of _____ (the "Effective Date"). The undersigned persons (individually and collectively "Franchisee") hereby represent to ONE GLOW FRANCHISE, LLC (the "Franchisor") that Franchisee are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of Effective Date of this Personal Guaranty.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each Franchisee hereby agree, in consideration of benefits received and to be received by each of Franchisee, jointly and severally, and for Franchisee, Franchisee's heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing ONE GLOW FRANCHISE, LLC Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, Franchisee will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor as its affiliates have developed (the "System") for the establishment and operation of a franchised business (hereafter, a "Franchised Business"); Franchisor's System standards and specification for the furniture, fixtures, equipment, supplies and inventory to be used in connection with the establishment and operation of a Franchised Business; the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business, as well as the individual Businesses located within the Franchised Business; any proprietary software that is necessary for the operation of the Franchised Business; System standards and specifications for the marketing and sale of all products and services offered at the Franchised Business, including without limitation any proprietary products or services Franchisor has developed; Franchisor's proprietary

Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); as well as any other Confidential Information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). Franchisee shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; pricing information related to the offer and provision of sauna therapy and other Approved Services and Approved Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to Franchisee or of which Franchisee may become apprised by virtue of Franchisee's role as a guarantor of the Franchisee's obligations under the Franchise Agreement. Franchisee also acknowledges and agrees that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective customer information, including customer names and addresses, customer membership and treatment histories and all corresponding contracts/agreements (collectively "Customer Lists"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

Franchisee acknowledges that as a participant in the Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, Franchisee agrees as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of any other concept or other business that: (i) offers and/or provides sauna therapy and/or any of the other Approved Services via a sauna or other equipment (each, a "Competing Business"); or (ii) grants or has granted franchises or licenses, or establishes or has established joint ventures, in connection with the ownership or operating of any Competing Business; provided, however, that this Section does not apply to Franchisee's operation of a franchised Business pursuant to a valid franchise agreement with Franchisor, or Franchisee's ownership of less than two percent (2%) of the interests in a publicly-traded company.

1.2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of This Agreement.**

2.1. For a period of two years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses, or establishing joint ventures, for Competing Businesses. The geographic scope of this non-compete shall be limited to the areas where Franchisor has commenced offering and selling franchises as of the date this provision becomes effective.

2.2. For a period of two years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1. Own, maintain, engage in, be employed by, lend money to, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business at or within the following areas: (i) at the Premises of the Franchised Business; (ii) within the Designated Territory granted under the Franchise Agreement; or (iii) within a radius twenty-five (25) miles of (a) the perimeter of the Designated Territory granted under the Franchise Agreement, or (b) the perimeter of any other designated territory granted by Franchisor to any franchised business as of the date of expiration, transfer or termination of this Agreement through the date of Franchisee's involvement in the Competing Business;

2.2.2. Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

2.2.3. Subject to and as permitted by applicable state law, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by Franchisee, any of Franchisee's principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee agrees that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agree that each employee has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents employees from earning a living. Franchisee further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. Franchisee acknowledges that this Guaranty is not a franchise agreement and does not confer upon Franchisee any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty is governed by the laws of the state of Texas without reference to this state's conflict of laws principles (subject to state law), except that: (i) any disputes or actions

involving any non-competition covenants, including the interpretation and enforcement thereof, must be governed by the law of the state where the Business is located; and (ii) any franchise-specific or franchise-applicable laws of Texas, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Guaranty, Franchise Agreement and/or the franchise awarded thereunder unless the awarding of said franchise specifically falls within the scope of such Texas laws, regulations or statutes without reference to and independent of any reference to this choice of law provision.

3. **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. Franchisee must agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, to be conducted at Franchisor's then-current headquarters (or nearby location that Franchisor approves) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elect to exercise Franchisor's option to submit such claim or dispute to mediation. Franchisee may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce Franchisor's mediation rights under this Section. Each party shall bear its own cost of mediation, except that Franchisee and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of Franchisee's payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by Franchisee, or Franchisee's insolvency (collectively, the "Excepted Claims").

5. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waive all claims for damages Franchisee incurred as a result of the wrongful issuance.

6. **Jurisdiction and Venue**. Subject to Sections 3 through 5 of this Agreement, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located closest to Dallas, Texas or, if appropriate, the United States District Court for the Northern District of Texas. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

7. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by Franchisee.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** Franchisee further agrees that no cause of action arising out of or under this Guaranty may be maintained by Franchisee unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Franchisee may have against Franchisor, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section shall, or may be construed to, limit or otherwise affect Franchisor's right to seek all damages available under applicable law, including consequential damages such as future lost royalties and/or other future lost amounts, which the parties agree and acknowledge Franchisor may seek and recover.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against Franchisee, then Franchisor will be entitled to recover from Franchisee all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisee's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **Acknowledgment.** Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of Franchisor's owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to Franchisee for any reason. This is an important part of this Guaranty. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "Franchisee" include the respective parties' heirs, successors, assigns or transferees.

Signatures to appear on the following page.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty as of the Effective Date.

PERSONAL GUARANTORS

_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]

EXHIBIT C TO THE FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease ("Addendum") is hereby made and entered into on _____ ("Effective Date"), by and between _____ ("Landlord") and _____ ("Tenant") and entered into by Tenant and Landlord concerning the Location at _____ ("the Lease").

To the extent that there is any inconsistency between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall govern and control. None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

Landlord and Tenant, intending that ONE GLOW FRANCHISE, LLC a Texas limited liability company (the "Franchisor") (and its successors and assigns) be a third-party beneficiary of this Addendum, hereby agree as follows:

A. The leased Premises will only be used in connection with the operation of the Franchised Business governed by its franchise agreement with ONE GLOW FRANCHISE, LLC ("Business");

B Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or products offered at the Business, the Business design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by Franchisor's Manuals ("Proprietary Marks"), subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord; and Landlord further agrees that Franchisor has the right to enter the Premises upon 24 hours written notice to Landlord to make any modifications necessary to protect Franchisor's Proprietary Marks;

C. To allow Franchisee, upon written request from Franchisor, to provide Franchisor with a current copy of the Lease and any amendments:

D. To notify Franchisor in writing of, and upon the failure of Franchisee to cure, any default by Franchisee under the Lease, and also to provide Franchisor with the right to cure said default under the Lease within thirty (30) days of being notified (but Franchisor is under no obligation to do so);

E. Upon Tenant's default or termination under the Lease, or upon the transfer, termination or expiration of the Franchise Agreement between Tenant and Franchisor, Tenant may assign this Lease or sublet the leased premises to Franchisor, its affiliate or any licensee or franchisee of Franchisors, without the prior consent of, or prior written notice to, Landlord. Within ten (10) days of such assignment or subletting, Tenant shall deliver a copy of the signed agreement evidencing the assignment and containing an express covenant binding the transferee to Tenant's obligations under the Lease. Landlord shall afford Franchisor thirty (30) days from the date of any termination of Franchisee's rights under the Lease to exercise its option to assume the Lease or designate a replacement bona fide franchisee to take assignment of the Lease and assume all of Tenant's obligations thereunder;

F. The Lease may not be amended, assigned, renewed, or sublet without Franchisor's prior written approval; and

G: Unless and until otherwise changed by Franchisor, notice to Franchisor shall be sent as follows: ONE GLOW FRANCHISE, LLC, 5294 Belt Line Road, Suite 108, Dallas, Texas 75254, Attn: Josh Terzo.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Addendum to Lease as of the Effective Date.

LANDLORD:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

Date: _____

TENANT:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

Date: _____

SIGNED and SEALED this _____ day of _____, 20___

_____ Notary Public

COLLATERAL ASSIGNMENT OF LEASE

This Collateral Assignment of Lease (the "Assignment") is hereby made and entered into on _____ ("Effective Date") and for value received, the undersigned ("Assignor") hereby assigns and transfers to ONE GLOW FRANCHISE, LLC ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting premises commonly known as _____ (the "Premises").

This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor's rights, title and interest under the Lease pursuant to this assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default and failure to cure (within the appropriate time period) by Assignor under the Lease or under the franchise agreement for a Franchised Business between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 120 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

IN WITNESS WHEREOF, the undersigned has executed this Assignment as of the Effective Date.

ASSIGNOR:

Dated:_____ _____

_____

SIGNED AND SEALED this __
day of _____, 20___

©2023 ONE GLOW FRANCHISE, LLC

EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

This EFT Authorization Form is hereby made and entered into on _____ ("Effective Date") by and between: (i) ONE GLOW FRANCHISE, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108, Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Franchisee").

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes ONE GLOW FRANCHISE, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____(the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) Operational Equipment Package and/or other required items that Franchisee must purchase from Franchisor and/or its affiliates in connection with the development and/or operation of the Franchised Business (iv) Technology Fees; and (v) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this EFT Authorization Form as of the Effective Date.

AGREED:

FRANCHISEE	**FRANCHISOR**
[INSERT FRANCHISEE NAME]	**ONE GLOW FRANCHISE, LLC**
By: _____	By: _____
Name (Print): _____	Name: Joshua Terzo
Its: _____	Title: Chief Executive Officer

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

©2023 ONE GLOW FRANCHISE, LLC

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Business Managers and any other management personnel of Franchisee)

This Confidentiality and Restrictive Covenant Agreement is hereby made and entered into on _____ ("Effective Date") and in consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from ONE GLOW FRANCHISE, LLC (the "Company") to: (i) establish and operate a franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of such businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of the business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such

information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) offers or provides any kind of sauna-related therapy or any of the other Approved Services that are offered by the Business via a sauna or any other equipment (each, a "Competing Business"); or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, in connection with the ownership or operation of any Competing Business. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

6.1 *Post-Term Restrictive Covenant for Business Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25-mile radius of the Premises; or (ii) within a 25-mile radius of any other franchised business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two-year period following the termination or expiration of my employment with the Franchisee.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement shall be construed under the laws of ***[INSERT LAW WHERE FRANCHISED BUSINESS IS LOCATED]***. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

IN WITNESS WHEREOF, this Confidentiality and Restrictive Covenant Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

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CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

This Conditional Assignment of Telephone Numbers and Domain Names is hereby made and entered into on _____ ("Effective Date") and the parties hereto agree as follows:

1. _____, (the "Assignor"), in exchange for valuable consideration provided by ONE GLOW FRANCHISE, LLC (the "Assignee") receipt of which is acknowledged hereby, conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its the franchised business located at _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____
Facsimile Number(s): _____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____
_____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

IN WITNESS WHEREOF, the undersigned has duly executed this Conditional Assignment of Telephone Numbers and Domain Names as of the Effective Date.

ASSIGNOR

BY: _____ Date: _____

TITLE:_____

ASSIGNEE

ONE GLOW FRANCHISE, LLC

BY: _____
Joshua Terzo, Chief Executive Officer

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EXHIBIT C TO
FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

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ONE GLOW FRANCHISE, LLC

DEVELOPMENT AGREEMENT

DEVELOPER

_____

_____
DATE OF AGREEMENT

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ONE GLOW FRANCHISE, LLC
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement"), is made and entered into this _____ _____day of _____, 20___ (the "Effective Date"), by and between: (i) ONE GLOW FRANCHISE, LLC, a limited liability company formed and operating under the laws of the State of Texas whose principal business address is 5294 Belt Line Road, Suite 108, Dallas, Texas 75254 (the "Franchisor"); and (ii)_____, a/n _____ with a business address at _____ (the "Developer").

WITNESSETH:

WHEREAS, as the result of the expenditure of time, effort and expense, Franchisor has created a unique and distinctive proprietary system (hereinafter the "System") for the establishment, development and operation of studio (each, a "Studio") that provides infrared sauna sessions, chromotherapy, red light therapy, and halotherapy in a relaxing modern environment (collectively, the "Approved Services"), certain designated lines of beauty and wellness products, branded apparel and merchandise, and any other retail inventory and any other products Franchisor authorizes Developer to sell at retail from the Studio (the "Approved Products"), all while utilizing the then-current Proprietary Marks that Franchisor designates now or in the future (the "Proprietary Marks") and a system of business operations that we and our principals have developed (the "System").

WHEREAS, Franchisor owns the System and the right to use the Proprietary Marks and grants the right and license to others to use the System and the Proprietary Marks;

WHEREAS, the distinguishing characteristics of the System include, without limitation, proprietary methodology and procedures for the establishment and operating procedures, site selection guidance and criteria, specifications for the design, layout and construction of the interior of the Studio, standards and specifications for the furniture, fixtures and equipment located within a Studio, established relationships with approved or designated suppliers for certain products and services, and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Studio.

WHEREAS, Franchisor identifies the System and licenses the use of certain trade names, service marks, trademarks, emblems and indicia of origin and other trade names, service marks and trademarks as are now designated and may hereafter be designated as Proprietary Marks by Franchisor in writing for use with the System;

WHEREAS, Developer desires the right to develop, own and operate multiple Studios under the System in a defined geographic area under a Development Schedule (the "Development Schedule") set forth in this Agreement; and

WHEREAS, Developer acknowledges that Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, the nature of the business conducted as a Studio may evolve and change over time, that an investment in a Studio involves a business risk and the success of the venture is largely dependent upon Developer's business abilities and efforts.

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

1. REFERENCES AND DEFINITIONS

A. DEVELOPMENT AREA

"Development Area" means the geographic area described in Exhibit A.

B. DEVELOPMENT SCHEDULE/DEVELOPMENT PERIOD

"Development Schedule" means the schedule for Developer to open and operate a specific cumulative number of Studios as set forth in Exhibit B to this Agreement. Each "Development Period" is a period of time set forth in the Development Schedule wherein Developer must meet each specific development obligations.

C. FRANCHISE AGREEMENT

The term "Franchise Agreement" means the then-current form of agreements (including the franchise agreement and any exhibits, riders, collateral assignments of leases or subleases, shareholder guarantees and preliminary agreements) that Franchisor customarily uses in the granting of a franchise for the ownership and operation of a Studio.

Concurrent with the execution of this Agreement, Developer shall execute the Franchisor's current form of the Franchise Agreement for the first Studio that Developer is granted the right to open within the Development Area hereunder. Franchisor, in its sole discretion, but subject to the express provisions contained herein, may modify or amend in any respect the standard form of Franchise Agreement it customarily uses in granting a franchise for a Studio.

The parties agree and acknowledge that: (i) Developer must timely execute Franchisor's then-current form of Franchise Agreement for each Studio that Developer is required to open and commence operating pursuant to the Development Schedule; and (ii) Franchisor may, in its discretion, modify or amend the form of Franchise Agreement that Franchisor is using as of the date this Agreement is executed as it deems appropriate for (a) use in the System generally, and (b) execution by the parties in connection with the Studios that Developer must subsequently open and commence operating under this Agreement.

D. PRINCIPALS

The term "Principals" includes, collectively and individually, Developer's owners; if Developer is an entity, any officers and directors of Developer (including the officers and directors of any general partner of Developer) and any person and of any entity directly owning and/or controlling ten percent (10%) or more of Developer, or a managing member or manager of a limited liability company. The initial Principals shall be listed in Exhibit D. The Principals must execute an agreement in substantially the form of the attached Guaranty and Assumption of Obligations (immediately following this Agreement) undertaking to be bound jointly and severally to all provisions of this Agreement.

2. USE OF SYSTEM

Developer acknowledges, and does not contest, Franchisor's exclusive ownership and rights to each and every aspect of the System. Developer's right to developer Studios is specifically limited to the Development Area, as well as the terms and conditions of this Agreement and Franchise Agreements executed pursuant thereto.

3. GRANT OF DEVELOPMENT RIGHTS

A. GRANT AND TERM

In reliance on the representations and warranties of Developer and its Principals, Franchisor grants to Developer, and Developer hereby accepts the right and obligation to develop, a designated number of Studios within the Development Area in full compliance with the terms of this Agreement, including the timely development obligations to open a specific cumulative number of Studios over prescribed periods of time as established in the Development Schedule; and in full compliance with all obligations and provisions under the form(s) of Franchise Agreement entered into for the right to own and operate each individual Studio.

The term of this Agreement shall commence upon full execution of this Agreement and, unless earlier terminated by Franchisor pursuant to the terms hereof, this Agreement shall expire upon the earlier of: (i) the date Developer timely opens the last Studio it is required to develop within the Development Area pursuant to this Agreement; or (ii) the last day of the last Development Period on the Development Schedule. Developer acquires no rights under this Agreement to develop Studios outside the Development Area. Upon expiration or termination of this Agreement for any reason, Developer will have no rights whatsoever within the Development Area (other than any territorial rights that Franchisor has granted to Developer in connection with any Studio(s) that Developer has timely opened pursuant to a Franchise Agreement as required by the Development Schedule prior to the date this Agreement is terminated or expires).

B. COMMITMENT OF DEVELOPER

Franchisor has granted these rights in reliance on the business skill, financial capability, personal character and expectations of performance by the Developer and its Principals. This Agreement is for the purpose of developing and operating the Studios, and is not for the purpose of reselling the rights granted by this Agreement.

C. DEVELOPMENT PLAN

The following conditions and approvals are conditions precedent before the right of Developer to develop each Studio becomes effective. At the time Developer selects a site for each Studio, Developer must satisfy the operational, financial and training requirements, set forth below:

(1) Operational: Developer must be in substantial compliance with the material terms and conditions of this Agreement and all Franchise Agreements granted Developer. For each Studio operated by Developer, Developer must be in substantial compliance with the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(2) Financial: Developer and the Principals must satisfy Franchisor's financial criteria for Developers and Principals with respect to Developer's operation of its existing Studios, if any, and the proposed Studio. Developer must be in compliance and not been in default during the twelve (12) months

preceding Developer's request for approval, of any monetary obligations of Developer to Franchisor or its affiliate under any Franchise Agreement granted under this Agreement.

D. EXECUTION OF FRANCHISE AGREEMENT

This Agreement is not a Franchise Agreement and does not grant Developer any right or license to operate a Studio, or to provide services, or to distribute goods, or any right or license in the Proprietary Marks. Developer must timely execute Franchisor's then-current form of Franchise Agreement for each Studio that Developer is required to open under the Development Schedule.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

A. RESERVATION OF RIGHTS

Franchisor (on behalf of itself and its affiliate(s), parent(s) and subsidiaries) retains the rights, in its sole discretion and without granting any rights to Developer: (1) to itself operate, or to grant other persons the right to operate, Studios at locations and on terms Franchisor deems appropriate outside the Development Area granted Developer, and (2) to sell the products and services authorized for Studios under the Proprietary Marks or under other trademarks, service marks and commercial symbols through dissimilar channels of distribution and under terms Franchisor deems appropriate within and outside the Development Area, including, but not limited to, by electronic means, such as the Internet, and by web sites established by Franchisor, as we determine, in our sole discretion.

In addition, Franchisor, any other developer and any other authorized person or entity shall have the right, at any time, to advertise and promote the System, in the Development Area. Developer acknowledges and agrees that Developer is only granted the right to develop and operate Studios within the Development Area. Accordingly, within and outside the Development Area, Franchisor and its affiliate and its subsidiaries may also offer and sell, and may authorize others to offer and sell products and services identified by the Proprietary Marks (including memberships and gift cards) at or from any location.

Franchisor and its affiliate(s)/parent(s) further reserve the right to: (i) establish and operate, and license any third party the right to establish and operate, other Studios and Franchised Businesses using the Marks and System at any location outside of Developer's Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (iii) use the Marks and System, as well as other such marks Franchisor designates, to distribute any Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Territory(ies) and Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.), as further described below; (iv) to (a) acquire, merge with, be acquired by, or otherwise affiliate with, any other company, and (b) have Franchisor or any successor/acquiring entity own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Approved Services (but under different marks), within or outside Developer's Designated Territory(ies) and, if applicable, Development Area; (v) market, offer and provide the Approved Services directly to personnel in their respective residence, office or other location of choice and not from a physical location, anywhere inside or outside of the Designated Territory; (vi) own and operate Studios in "Non-Traditional Locations" including, but not limited to, airports, malls, any captive venue that requires a ticket or other membership to access, military bases, academic institutions, hospitals, sports arenas and stadia, "big box" gyms and/or fitness centers, train stations, casinos, both within or outside Developer's Designated Territory(ies) and, if applicable, Development Area; and (vii) use the Marks and System, and license others to use the Marks and

System, to engage in any other activities not expressly prohibited in any Franchise Agreement executed in connection with this Agreement..

Franchisor may be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and similar services to those provided at a Studio, or by another business, even if such business operates, franchises and/or licenses competitive businesses within the Development Area granted by the Development Agreement and within the Designated Territory granted by a Franchise Agreement.

Franchisor has the right to own, operate and license others to own and operate other business concepts in and outside the Development Area consistent with the terms of this Section.

Franchisor has no obligation and will not pay Developer if it exercises any of the rights specified above within the Development Area granted by the Development Agreement or within the Designated Territory granted by a Franchise Agreement.

B. RIGHTS DURING DEVELOPMENT PERIODS

Subject to Section 4(A) and the other terms of this Agreement, if Developer (i) is in compliance with the material terms and conditions contained in this Agreement, including the timely development obligations to open a specific cumulative number of Studios over prescribed periods of time as established in Exhibit B (the "Development Schedule"), and (ii) is in substantial compliance with all material obligations under Franchise Agreements executed by Developer for individual Studios under this Agreement; then during the Development Schedule, Franchisor: (i) will grant Developer the right to own and operate Studios located within the Development Area pursuant to the terms of this Agreement; and (ii) will not operate (directly or through its affiliate), nor grant a franchise for the location of, any Studio within the Development Area, except for franchises granted to Developer under this Agreement.

If Developer, for any reason within his control, fails to comply with the Development Schedule, this failure constitutes a material default of this Agreement, and Franchisor has the right to terminate this Agreement pursuant to Section 14 of this Agreement. In the event Developer fails to cure the noticed default within the time allowed under Section 14, Franchisor may terminate this Agreement and grant individual or area development franchises within the Development Area to third parties or own and operate Studios owned by Franchisor or by the affiliate of Franchisor. Franchisor and Developer agree that the timely development of Studios by Developer in compliance with the Development Schedule will control the rights granted Developer by this Agreement, regardless of the time period granted Developer to open a Studio pursuant to a Franchise Agreement for such Studio. Upon termination of this Agreement, all rights granted Developer revert to Franchisor, who is free to franchise any other person to use the System within the Development Area or to itself own and operate Studios within the Development Area.

Notwithstanding anything contained in this Section, Franchisor may determine to provide Developer with a one-time reasonable extension of time not to exceed 90 days to comply with its development obligations in any one of the Development Period as set forth in the Development Schedule (see Exhibit B), provided: (i) Developer has already executed a lease for, or otherwise obtained, a Premises that Franchisor approves for any Studio(s) it is required to open and operate during that Development Period; and (ii) Developer notifies Franchisor of its need for such an extension no less than 30 days prior to expiration of that Development Period. The parties agree and acknowledge that Franchisor's grant of any one-time extension under this Section will not extend, modify or otherwise affect the expiration of any of Developer's subsequent Development Periods or subsequent development obligations.

C. DEVELOPMENT OBLIGATIONS

Developer will at all times faithfully, honestly, and diligently perform his obligations under this Agreement and will continuously exert his best efforts to timely promote and enhance the development of Studios within the Development Area. Developer agrees to open and operate the cumulative number of Studios at the end of each Development Period set forth in the Development Schedule (see Exhibit B). Developer agrees that compliance with the Development Schedule is the essence of this Agreement.

D. EXPIRATION OR TERMINATION

After this Agreement expires or terminates for any reason, Franchisor shall have the absolute right to own and operate, or license other parties the right to own and operate Studios, in the Development Area, except in those Designated Territories granted under each Franchise Agreement that Developer enters into pursuant to this Agreement.

5. STUDIO CLOSINGS

If during the term of this Agreement, Developer ceases to operate any Studio developed under this Agreement for any reason, Developer must develop a replacement Studio to fulfill Developer's obligation to have open and in operation the required number of Studios upon the expiration of each Development Period. The replacement Studio must be open and in operation within nine (9) months after Developer ceases to operate the Studio to be replaced or Developer will be in material breach of this Agreement. If, during the term of this Agreement, Developer, in accordance with the terms of any Franchise Agreement for a Studio developed under this Agreement, transfers its interests in that Studio, a transferred Studio shall continue to be counted in determining whether the Developer has complied with the Development Schedule so long as it continues to be operated as a Studio. If the transferred Studio ceases to be operated as a System Studio, it will not count toward Developer's compliance with the Development Schedule.

6. PROCEDURE FOR EXERCISING DEVELOPMENT RIGHTS

Developer shall enter into a separate Franchise Agreement with Franchisor for each Studio developed pursuant to this Agreement. The Franchise Agreement to be executed for the first Studio to be developed by Developer under this Agreement must be executed and delivered to Franchisor concurrently with the execution and delivery of this Agreement. All subsequent Studios developed under this Agreement must be established and operated under the then-current form of Franchise Agreement then being used by Franchisor for Studios under the System. The then-current form of Franchise Agreement may differ from the form attached as Exhibit C; however, the provisions regarding royalty fees and advertising contributions shall remain as established in Exhibit C. Developer must execute the then-current form of Franchise Agreement for each Studio to be developed under this Agreement

Developer acknowledges that the projected opening dates for each Studio set forth in the Development Schedule are reasonable requirements. Developer must execute a Franchise Agreement for each Studio by the earlier of: (i) fifteen (15) days from the date a lease is signed for a location that Franchisor approves for the Studio at issue; and (ii) the date necessary for Developer to otherwise comply with its development obligations under this Agreement.

7. DUTIES OF DEVELOPER

A. ORGANIZATION OF DEVELOPER

Developer makes the following representations, warranties and covenants and accepts the following continuing obligations:

(1) If Developer is a corporation, limited liability company or a partnership, Developer represents, warrants and covenants that: (i) Developer is duly organized and validly existing under the state law of its formation; (ii) Developer is duly qualified and is authorized to do business in each jurisdiction which requires such qualification; (iii) the execution and performance of this Agreement are within Developer's corporate power, if Developer is a corporation or if Developer is a partnership permitted under Developer's written partnership agreement, or if Developer is a limited liability company, permitted under the management agreement;

(2) If Developer is a corporation, copies of its articles of incorporation, bylaws, other governing documents, any amendments, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, shall be promptly furnished to Franchisor. If Developer is a partnership, copies of Developer's written partnership agreement and other governing documents shall be promptly furnished to Franchisor before the execution of this Agreement. If Developer is a limited liability company, copies of Developer's organizational documents and management agreement shall be promptly furnished to Franchisor;

(3) If Developer is a corporation, partnership, limited liability company, or other form of legal entity other than an individual, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer or, if Developer is a partnership, Developer shall maintain at all times a current list of all owners of an interest in the partnership, or, if Developer is a limited liability company, it shall maintain at all times a current list of managers and members of the limited liability company;

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Principal's (as defined in Section 1), or if Developer believes in the event any individual later qualifies as one of Principals, Developer shall promptly notify Franchisor and that person shall execute any documents (including, as applicable, this Agreement) as Franchisor may reasonably require;

(5) If Developer is a corporation, Developer must maintain stop-transfer instructions against the transfer of its records of any equity security and each stock certificate of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section 7 shall not apply to a publicly held corporation. If Developer is a partnership, its written partnership agreement shall provide that ownership of an interest in the partnership is held subject to and that further assignment or transfer is subject to restrictions imposed on assignments by this Agreement. If Developer is a limited liability company, its articles of organization and operating agreement must provide that ownership interests are subject to restrictions on transfers imposed on assignments by this Agreement;

(6) Developer agrees to maintain at all times throughout the term of this Agreement, sufficient working capital to fulfill its obligations under this Agreement; and

(8) The Principals agree to jointly and severally guarantee the performance of all of Developer's obligations, under the terms of this Agreement, except the obligation to open Studios.

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B. REQUIREMENTS OF REPRESENTATIVE

Upon the execution of this Agreement, Developer must designate and retain an individual throughout the term of this Agreement to act on behalf of Developer in all transactions with Developer concerning Developer's obligations under this Agreement (the "Representative"). If Developer is an individual, Developer must perform all obligations of the Representative. The Representative must use reasonable efforts to do the following, during the entire period he serves in that capacity: (1) maintain a direct or indirect ownership interest in the Developer; (2) devote substantial time and reasonable efforts to the supervision and conduct of the business contemplated by this Agreement and execute this Agreement as one of the Principals; and (3) meet Franchisor's standards and criteria for a Representative as set forth in the Manuals or otherwise in writing by Franchisor. If the Representative or any designee is not able to continue to serve in the capacity of Representative or no longer qualifies, Developer must promptly notify Franchisor and designate a replacement.

C. BEST EFFORTS

Developer must use his best efforts to substantially comply with all requirements of federal, state and local rules, regulations and orders.

8. SITE SELECTION, LEASES, FRANCHISE AGREEMENT

A. SELECTION OF SITE BY DEVELOPER

Developer assumes all costs, liabilities, expenses and responsibilities for locating, obtaining, financing and developing sites for Studios, and for constructing and equipping Studios at those sites. The selection of a site and the development of a Studio at any site is the responsibility of Developer. The selection of a site by Developer is subject to our approval and must be in compliance with Franchisor's site selection procedures and its standards for demographic characteristics, parking, traffic patterns and the predominant character of the neighborhood, and other commercial characteristics of the site and any other factors Franchisor may consider relevant in reviewing a site selected by Developer. Developer must not enter into a binding commitment with a prospective seller or lessor of real estate with respect to the site for a Studio until Franchisor has approved the proposed site. Developer specifically acknowledges that the selection of a site by Developer in compliance with Franchisor's site selection procedures and the approval of a site by Franchisor does not constitute a representation, promise or guarantee by Franchisor that the site and the Studio to be operated at that site will be profitable or successful. Developer acknowledges that factors governing the success of a Studio are unpredictable and beyond Franchisor's control. Franchisor is not responsible to Developer or to any other person or entity if a site approved by Franchisor fails to meet Developer's expectations for revenue or operational criteria.

B. DEMOGRAPHIC INFORMATION

Before acquiring a site for any Studio by lease or purchase, Developer must locate a site for the Studio that satisfies the site selection guidelines Franchisor provides to Developer and must submit to Franchisor, in the form Franchisor specifies, a description of the site, a demographic study and other information and materials Franchisor may reasonably require and shall represent in writing that Developer has the option or other firm commitment to obtain the site. Franchisor will review information provided by Developer for the site which may include the population of the work force or residents, character of the neighborhood, household income, ingress and egress, and trade area. If on-site evaluations by Franchisor are requested by Developer or determined to be necessary by Franchisor, then Franchisor or its designee will, at Franchisor's expense, provide a single on-site inspection in connection with each Studio that Developer is required to open hereunder at Franchisor's expense. Developer must reimburse Franchisor for

the reasonable expenses Franchisor incurs for any additional on-site evaluations, including, but not limited to, the cost of travel, lodging, meals and wages of Franchisor's representatives and employees.

C. LEASE OR PURCHASE OF SITE

Developer shall not make any binding commitment to purchase or lease real estate for a proposed site for a Studio until the proposed site has been approved by Franchisor and a Franchise Agreement has been executed by Franchisor and Developer (or its affiliate) for a Studio at such site. Developer shall provide Franchisor with a copy of either the proposed contract of sale or lease relating to the site before the Franchise Agreement is executed. Developer must comply with the conditions set forth in the Franchise Agreement at issue in connection with the signing of such a lease, including ensuring that both Developer and the landlord for the proposed site execute Franchisor's prescribed from of Collateral Assignment of Lease. Developer must use any approved or designated suppliers that Franchisor designates in connection with the site selection and acquisition process.

D. FRANCHISE AGREEMENT

Franchisor will deliver a Franchise Agreement, in the then-current form, to Developer for execution by Developer (or its affiliate). With the execution of this Agreement, Developer must concurrently execute the Franchise Agreement establishing Developer's first Studio and return both this Agreement and the Franchise Agreement to Franchisor. If Developer fails to execute the Franchise Agreement, Franchisor may, at its sole discretion, revoke its approval of the site and its offer to grant Developer a franchise to operate a Studio at the site.

9. DEVELOPMENT FEE

Concurrently with the execution of this Agreement, Developer must pay to Franchisor a nonrefundable area development fee equal to _____ (the "Development Fee"). The Development Fee is deemed fully earned by Franchisor upon execution of this Agreement in consideration of lost development opportunities and is nonrefundable under any circumstances. Developer will not be required to pay any additional initial franchise fee for each Studio opened pursuant to this Agreement upon executing a Franchise Agreement for that Studio.

10. SUPERIORITY OF INDIVIDUAL FRANCHISE AGREEMENT

Developer understands and agrees that any and all individual Franchise Agreements executed by Developer and Franchisor for Studios within the Development Area are independent of this Agreement. The continued effectiveness of any Franchise Agreement does not depend on the continued effectiveness of this Development Agreement. If any conflict arises with this Agreement and any Franchise Agreement, the Franchise Agreement controls, has precedence and superiority (except with respect to the opening deadline for each Studio Developer is granted the right to open under this Agreement).

11. COVENANTS

A. Developer and the Representative covenant that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Developer and the Representative must devote substantial time, energy and best efforts to the management and operation of the development activities required under this Agreement.

B. Developer acknowledges that, as a participant in Franchisor's System, Developer will receive proprietary and confidential information and materials, trade secrets, and the unique methods,

procedures and techniques that Franchisor has developed. As such, Developer agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees and developers.

(1) During the term of this Agreement, neither Developer, its Principals, owners, officers or guarantors, nor any immediate family of Developer, its Principals, owners, officers or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other spa business that offers and provides sauna services or any of the other Approved Service via sauna or other equipment (each, a "Competing Business"), or offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any Studio operated by Developer (or its permitted affiliate) under a franchise agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

(b) Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee or developer, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

(c) Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

(2) For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Developer, its Principals, owners, officers and guarantors, nor any member of the immediate family of Developer, its Principals, owners, officers or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

(3) For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Developer, its Principals, owners, officers and guarantors, nor any member of the immediate family of Developer, its Principals, owners, officers or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in or involvement with any other Competing Business: (i) within the Development Area; or (ii) within a twenty-five (25) mile radius of the perimeter of the Development Area being granted hereunder or any other designated territory or development area licensed by Franchisor to a Studio (whether franchised or company-owned) at any time from the date of expiration or termination of this Agreement through the date Developer attempts to undertake the competitive activity at issue;

(b) Solicit business from customers of Developer's former Studios or contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

(c) Subject to and to the extent permitted by applicable law where the Development Area is located, solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee or developer to discontinue employment.

C. It is the parties' intent that the provisions of this Section 11 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 11 by Developer, any of Developer's Principals, or any member of the immediate family of Developer or Developer's Principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Developer acknowledges that the covenants contained herein are necessary to protect the goodwill of other System franchisees and developers, and the System. Developer further acknowledges that covenants contained in this Section 11 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Developer agrees that in the event of the actual or threatened breach of this Section 11, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Developer and the Principals agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 11. Developer acknowledges and agrees on Developer's own behalf and on behalf of the persons who are liable under this Section 11 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 11 in no way prevent any such person from earning a living. Developer further acknowledges and agrees that the time limitation of this Section 11 shall be tolled during any default under this Section 11.

D. Developer must ensure that all management personnel of Developer's Studios opened under this Agreement, as well as any officers or directors of Developer, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement. Developer must furnish Franchisor a copy of each executed agreement.

E. Developer hereby agrees that the existence of any claim Developer may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 11. Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 11.

12. RELATIONSHIP OF THE PARTIES

A. The parties agree that this Agreement does not create a fiduciary relationship between them, that Developer is an independent contractor and must at all times represent itself as an independent contractor. This Agreement does not create either party as an agent, legal representative, subsidiary, joint venturer, partner, employee or joint employer. Developer shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Developer agrees to take any action necessary to that end, including without limitation, exhibiting a notice on signage and member contracts, as required by Franchisor as to content and manner of disclosure.

B. Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of any such action, or for any act or omission of Developer in the conduct of its business pursuant to this Agreement or any claim or judgment arising therefrom.

C. Developer and each of the Principals shall, at all times, indemnify and hold harmless Franchisor and its affiliate, successors and assigns and the officers, directors, shareholders, agents, representatives and employees of each of them ("Indemnitees") from all losses and expenses incurred in connection with any formal or informal action, suit, proceeding, claim, demand, investigation or inquiry or any settlement thereof, which arises out of or is based upon the action or negligence of Developer or any Principal in any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation of any Proprietary Marks or other proprietary right owned by Franchisor;

(2) Claims of sexual harassment or discrimination by Developer's employees or by a guest at the Studio;

(3) The violation of any federal, state or local law, regulation, rule, standard or directive, or any industry standard, including without limitation, health, sanitation and safety laws and regulations;

(4) Libel, slander or any other form of defamation of Franchisor or the System, by Developer or the Principals;

(5) The violation or breach by Developer or any of the Principals of any warranty, representation, agreement or obligation of this Agreement or any Franchise Agreement; and

(6) Acts, errors or omissions of Developer or any of its agents, servants, employees, contractors, partners, affiliates or representatives.

Notwithstanding anything contained in this Section 12(C), Developer will not be required to indemnify, defend or hold Franchisor harmless for any claims or causes of action that arise solely out of Franchisor's gross negligence or willful misconduct.

D. Developer and each of the Principals agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation.

E. Franchisor may, at any time and without notice, as it, in its reasonable discretion, consent, or agree to settlement, or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation.

F. All losses and expenses incurred under this Section 12 shall be chargeable to and shall be paid by Developer or any of the Principals pursuant to this Section 12, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense. However, Franchisor will indemnify Developer from losses or expenses resulting from the direct result of Franchisor's negligence or intentional acts.

G. The phrase "losses and expenses" shall include, without limitation, all monetary losses, compensatory, exemplary or punitive damages, fines, actual costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, damages to Franchisor's reputation and goodwill, costs of financing or advertising material and media costs and all expenses of recall, refunds, compensation, public notices and such other amounts incurred in connection with the matters described.

H. Developer must give Franchisor notice of any such action immediately upon Developer having received notice of any such action, claim or proceeding.

I. Under no circumstances shall Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Developer. Developer and the Principals agree that the failure of Franchisor to pursue recovery or mitigate loss from third parties will in no way reduce the amounts recoverable from Developer or the Principals.

J. Developer and the Principals expressly agree that the terms of this Section 12 shall continue in full force and effect after the termination, expiration or transfer of this Agreement or any interest herein.

13. PROPRIETARY MARKS

A. Developer acknowledges that Developer has no interest in or to the Proprietary Marks and Developer's right to use the Proprietary Marks is derived solely from the individual Franchise Agreements entered into between Developer and Franchisor for the purpose of operating Studios. Developer agrees that all usage of the Proprietary Marks by Developer and any goodwill established exclusively benefits Franchisor. Developer agrees that after termination or expiration of this Agreement, Developer will not, except with respect to Studios operated by Developer under individual Franchise Agreements, directly or indirectly, at any time or in any manner identify itself or any business as a Developer or former Developer of, or otherwise associated with, Franchisor or use in any manner or for any purpose any Proprietary Marks or other indicia of a Studio or any colorable imitation.

B. Developer must not use any Proprietary Marks as part of any corporate or trade names or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Developer use any Proprietary Marks in connection with any business or activity, other than the business conducted by Developer under Franchise Agreements entered into between Developer and Franchisor, or in any other manner not explicitly authorized in writing by Franchisor.

C. Developer must immediately notify Franchisor in writing of any apparent infringement of or challenge to Developer's use of any Proprietary Marks, or claim by any person of any rights in any Proprietary Marks or similar trade name, trademark, or service mark of which Developer becomes aware. Developer must not communicate with any person other than Franchisor and its counsel regarding any infringement, challenge or claim. Franchisor has sole discretion to take action it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge, or claim or otherwise relating to any Proprietary Marks.

D. Franchisor has registered the domain name https://glowsaunastudios.com/. Developer acknowledges that Franchisor is the lawful and sole registrant of this domain name, which incorporates the Proprietary Marks. Developer agrees not to register, or attempt to register, any of the Proprietary Marks now or hereafter owned by Franchisor or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as Internet domain names, including, but not limited to, generic and country code top level domain names available at the present time or in the future.

E. Developer agrees and acknowledges that this Agreement does not grant Developer any rights whatsoever to use any Proprietary Marks, and that such rights are only granted through Developer's timely execution of a Franchise Agreement that will govern the operation of a Studio that Developer is required to open pursuant to the Development Schedule.

14. TERMINATION

A. Franchisor may terminate this Agreement for a material default of this Agreement by Developer and all rights granted herein shall automatically terminate upon written notice to Developer, upon the occurrence of any of the following:

(1) If Developer becomes insolvent, makes a general assignment for the benefit of creditors; files a voluntary petition in bankruptcy, or an involuntary petition is filed against Developer in bankruptcy; or Developer is adjudicated bankrupt; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by a court of competent jurisdiction; or if a proceeding for a composition of creditors under any state or federal law should be initiated against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer, (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer; or if a suit to foreclose any lien or mortgage against the premises or Studio is levied; or if the real or personal property of Studio is sold after levy thereon by any sheriff, marshal or law officer;

(2) If Developer or any of its Principals fail to comply with Section 11 of this Agreement;

(3) If Developer or a Principal discloses the contents of the Manuals or other confidential information contrary to this Agreement;

(4) If an immediate threat or danger to public health or safety results from the operation of a Studio operated by Developer under a Franchise Agreement;

(5) If Developer or a Principal has made material misrepresentations in connection with its application for the franchise;

(6) If Developer fails on three (3) or more occasions within any one (1) year period to comply with one (1) or more provisions of this Agreement, whether or not such failures to comply are cured after notice thereof is delivered to Developer; or

(7) Failure to comply with the conditions of transfer of any interest in Developer as required of this Agreement.

B. Franchisor may terminate this Agreement and all rights granted herein, upon thirty (30) days written notice to Developer, or a less time as specified below, for a material default of this Agreement, which shall constitute good cause for termination and the failure of Developer to cure the good cause for termination within the notice period. Good cause for termination shall be the occurrence of any one of the following events of default:

(1) If Developer fails to meet the development requirements set forth in the Development Schedule;

(2) If Developer fails to develop, open and operate each Studio and execute each Franchise Agreement in compliance with this Agreement;

(3) If Developer fails to designate a qualified replacement Representative;

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(4) If Developer misappropriates, misuses or makes any unauthorized use of the Proprietary Marks or materially impairs the goodwill associated with the Proprietary Marks or with the System and does not cure such default following written notice from Franchisor;

(5) If Developer, fails, refuses or is unable to promptly pay when due any monetary obligation to Franchisor or its affiliate required by this Agreement, or by any Franchise Agreement or any other agreement between the parties and does not cure the monetary default within fourteen (14) days following written notice from Franchisor;

(6) If Developer fails to correct a deficiency of a health, sanitation, or safety issue after notice of such deficiency is issued by a local, state, or federal agency or regulatory authority; or

(7) If Developer fails to comply with any other material term or material condition imposed by this Agreement or any Franchise Agreement executed pursuant thereto.

C. Failure of Developer to cure the default within the specified time, or a longer period of time as applicable law may require, will result in Developer's rights under this Agreement to be terminated effective on the expiration of the notice period, and without further notice to Developer.

D. Upon termination of this Agreement, Developer has no right to establish or operate any Studio for which an individual Franchise Agreement has not already been executed by both Franchisor and Developer, as well as delivered to Developer, as of the date of termination. Franchisor, effective upon termination of this Agreement, shall have the absolute right and is entitled to establish, and to license others to establish, Studios in the Development Area, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

E. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties, unless Developer's acts or omissions also violate the terms and conditions of the applicable Franchise Agreement.

F. No right or remedy herein conferred upon or reserved to the Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

15. EFFECT OF TERMINATION AND EXPIRATION

All obligations of Franchisor and Developer under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, continue in full force and effect after the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

16. TRANSFER OF INTEREST

A. BY FRANCHISOR

Franchisor has the absolute right to transfer or assign this Agreement and all or any part of its rights, duties or obligations to any person or legal entity without the consent of or notice to Developer. This Agreement shall inure to the benefit of, and be binding on the successors and assigns of Franchisor.

B. DEVELOPER MAY NOT ASSIGN WITHOUT APPROVAL OF THE FRANCHISOR

Developer understands and acknowledges that the rights and duties created by this Agreement are personal to Developer and its owners and that Franchisor has granted these rights to Developer in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Developer and/or its owners. Unless otherwise provided with respect to an assignment to an entity controlled by Developer as provided in Section 16(D), none of these rights nor any ownership interest in Developer may be voluntarily, involuntarily, directly or indirectly, assigned, sold, conveyed, pledged, sub-franchised or otherwise transferred by Developer or its owners (including by merger or consolidation, by issuance of additional securities representing an ownership interest in Developer, by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a partnership, by transfer of an interest in Developer or in this Agreement in a divorce proceeding, or if Developer or an owner of Developer dies, by will, declaration of or transfer in trust or the laws of the intestate succession) without the approval of Franchisor. Any attempted assignment or transfer without such approval will constitute a breach of this Agreement and will not transfer any rights or interests to such assignee or transferee.

C. CONDITIONS FOR APPROVAL OF ASSIGNMENT

If Developer is in substantial compliance with this Agreement, Franchisor shall not unreasonably withhold its approval of an assignment or transfer contemplated by Section 16(B) so long as the proposed assignee or transferer has good and moral character, sufficient business experience and aptitude to develop and own and operate Studios, and otherwise meets Franchisor's then-current standards for developers and System franchisees. Franchisor may require that any one or more of the following conditions be met before, or concurrently with, the effective date of any such assignment or transfer:

(1) All the accrued monetary obligations of Developer or any of its affiliates and all other outstanding obligations to Franchisor or its affiliate arising under this Agreement or any Franchise Agreement or other agreement between them and all trade accounts and any other debts to Franchisor, of whatsoever nature, prior to the transfer becoming effective shall be satisfied;

(2) Developer and its affiliates are not in material default of any substantive provision of this Agreement, any amendment hereof or successor hereto, or any Franchise Agreement granted pursuant to its terms, or other agreement between Developer or any of its affiliates and Franchisor or its affiliate;

(3) Developer and its Principals, as applicable, shall have executed a general release, in a form satisfactory to Franchisor, releasing Franchisor of any and all claims against Franchisor and its affiliate and their respective past and present partners, the past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under or related to this Agreement and any other agreements between Developer and Franchisor, or under federal, state or local laws, rules, and regulations or orders;

(4) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets the criteria considered by Franchisor when reviewing a prospective developer's application for development rights, including, but not limited to, Franchisor's managerial and business experience standards, that the transferee possesses good moral character, business reputation and credit rating; that the transferee has the aptitude, financial resources and capital committed for the operation of the business, and

the geographic proximity of other territories with respect to which transferee has been granted development rights or of other Studios operated by transferee, if any;

(5) The transferee must, at our option (a) execute our then-current form of Development Agreement that will then govern the remainder of the original Development Schedule, or (b) sign a written assumption agreement, in a form prescribed by Franchisor, assuming full, unconditional, joint and several liability from the date of the transfer of all obligations, covenants and agreements of Developer in this Agreement; and, if transferee is a corporation, limited liability company or a partnership, transferee's shareholders, partners, members or other investors, as applicable, shall also execute such agreement;

(6) Developer shall pay a transfer fee equal to Ten Thousand Dollars ($10,000) to Franchisor at the time of transfer, unless the transfer is being made: (i) to an immediate family member of Developer that Franchisor approves pursuant to Section 16(F); or (ii) in the form of an encumbrance of the assets of any Franchised Business (or a subordinating Franchisor's security interest in such assets) as a necessary condition to obtain SBA or traditional bank financing;

(7) Developer acknowledges and agrees that each condition, which must be met by the transferee, is reasonable and necessary; and

(8) Developer must pay any referral fees or commissions that may be due to any franchise broker, sales agent or other third party upon the occurrence of such assignment.

Franchisor's consent to a transfer of any interest in Developer described herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee. Upon an approved transfer under this Section, Developer will only be bound by, and liable in connection with, its post-term obligations under this Agreement.

D. <u>ASSIGNMENT TO A CORPORATION OR LIMITED LIABILITY COMPANY</u>

(1) Notwithstanding the provisions of this Section 16 of this Agreement, upon thirty (30) days' prior written notice to Franchisor, and without payment of a transfer fee, Developer (if an individual) may assign this Agreement to a corporation or limited liability company that conducts no business other than the development and/or operation of Studios. Developer shall be the owner of all the voting stock or interest of the corporation or limited liability company, or if Developer is more than one individual, each individual shall have the same proportionate ownership interest in the corporation as he had in Developer before the transfer. Developer and each of its Principals, as applicable, may transfer, sell or assign their respective interests in Developer, by and amongst themselves with Franchisor's prior written consent, which consent shall not be unreasonably withheld; but may be conditioned on compliance with Section 11, except that such transfer, sale or assignment shall not effect a change in the controlling interest in Developer.

(2) Any person who is or becomes a shareholder or member of Developer or has or acquires beneficial ownership of any shares of stock equal to or greater than ten percent (10%) ownership interest in Developer must execute an agreement in substantially the form of the attached Guaranty and Assumption of Obligations undertaking to be bound jointly and severally to all provisions of this Agreement. Developer must furnish Franchisor at any time upon request a certified copy of the articles of incorporation or articles of organization and a list, in a form Franchisor requires, of all shareholders or members of record and all persons having beneficial ownership of shares of stock, reflecting their respective interests in Developer.

E. RIGHT OF FIRST REFUSAL

If Developer receives and desires to accept any bona fide offer to transfer an ownership interest in this Agreement from a third party, then the Developer shall promptly notify Franchisor in writing and send Franchisor an executed copy of the contract of transfer. Franchisor shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to Developer that Franchisor intends to purchase the Developer's interest on the same terms and conditions offered by the third party. Closing on the purchase must occur within sixty (60) days from the date of notice by Franchisor to the Developer of Franchisor's election to purchase. If Franchisor elects not to accept the offer within the thirty (30) day period, Developer shall have a period not to exceed sixty (60) days to complete the transfer subject to the conditions for approval set forth in Section 16(C) of this Agreement. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 16 shall not constitute a waiver of any other provision of this Agreement. If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly-traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by Franchisor, and his determination shall be binding.

F. DEATH OR DISABILITY

Upon the death or permanent disability of Developer (or the managing shareholder, managing member or partner), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, partners or members, must appoint a competent manager that is approved by Franchisor within ninety (90) days from the date of death or permanent disability (the "90 Day Period"). Before the end of the 90 Day Period, the appointed manager must attend and successfully complete Franchisor's training program and must either execute Franchisor's then-current form of Development Agreement for the unexpired term of this Agreement, or furnish a personal guaranty of any partnership, corporate or limited liability company Developer's obligations to Franchisor and Franchisor's affiliates. If the Studio is not being managed by a Franchisor approved manager during the 90 Day Period, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Developer's Studios for and on behalf of Developer until an approved assignee is able to assume the management and operation of the Studio. Franchisor's appointment of a manager of the Studio does not relieve Developer of his obligations, and Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Studio or to any creditor of Developer for any products, materials, supplies or services purchased by the Studio during any period in which it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time. Franchisor's right of first refusal set forth in Section 16(E) will not apply to a transfer under this Section if the transferee is an immediate family member of Developer that Franchisor approves.

H. NOTICE TO FRANCHISOR

Provided Developer is not then a public company, if any person holding an interest in Developer (other than Developer or a Principal, which parties shall be subject to the provisions set forth above) transfers such interest, then Developer shall promptly notify Franchisor of such proposed transfer in writing and provide information as Franchisor may reasonably request before the transfer. The transferee may not be one of Franchisor's competitors. The transferee must execute a Confidentiality Agreement and Ancillary

Covenants Not to Compete in the form then required by Franchisor, which form shall be in substantially the same form attached as an Exhibit to Franchisor's then-current form of Franchise Agreement. Franchisor also reserves the right to designate the transferee as one of the Principals. If Developer is a public company, this provision applies only to transfers in interest by Principals or to any person or entity controlling more than ten percent (10%) of Developer's voting stock.

17. APPROVALS

A. Wherever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor for such approval or consent.

B. Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or to any third party to which it would not otherwise be subject, by providing any waiver, approval, advise, consent, or services to Developer in connection with this Agreement, or by any reason of neglect, delay or denial of any request therefor.

18. NONWAIVER

A. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Developer or Principals with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver or estoppel of Franchisor's right to demand exact compliance with any of the terms herein and Developer and the Principals warrant and undertake that it shall not rely on such failure, custom or practice. Waiver by Franchisor of any particular default by Developer or any of the Principals shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor shall delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by its other developers or by Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

B. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement, the rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or early termination of this Agreement shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or early termination of this Agreement.

19. DEVELOPER'S RECORDS AND REPORTS

A. Developer must keep accurate records concerning all transactions and written communications between Franchisor and Developer relating to the development and operation of Studios in the Development Area. Franchisor's duly authorized representative has the right, following reasonable notice, at all reasonable hours of the day to examine all Developer's records with respect to the subject

matter of this Agreement, and has full and free access to records for that purpose and for the purpose of making extracts. All records must be kept available for at least three (3) years after preparation.

B. Developer must furnish to Franchisor monthly written reports regarding Developer's progress on the development of Studios under this Agreement.

20. NOTICES AND PAYMENTS

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Manuals shall be deemed so delivered at the time delivered by hand or by e-mail with receipt confirmed by the receiving party or one (1) business day after sending by overnight courier with delivery confirmed and addressed to the party to be notified at its most current address of which the notifying party has been notified. The following addresses for the parties shall be used unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

ONE GLOW FRANCHISE, LLC
Attn: Joshua Terzo
5294 Belt Line Road, Suite 108
Dallas, Texas 75254

With an additional copy to:

Fisher Zucker, LLC
Attn: William Graefe
21 South 21st Street
Philadelphia, PA 19103

Notice to Developer:

_____
_____
_____
_____
ATTN: _____

21. GOVERNING LAW

This Agreement is governed by the laws of the State of Texas without reference to this state's conflict of laws principles (subject to state law).

22. LITIGATION AND OTHER DISPUTE RESOLUTION PROVISIONS

A. *Internal Dispute Resolution.* Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management and make every effort to resolve the dispute internally. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

B. *Mediation.* At Franchisor's option, all claims or disputes between Developer and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Developer and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 22(A) above, will be submitted first to mediation to take place at Franchisor's then-current headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Developer will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 22(B) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Developer's payment obligations under this Agreement.

C. *Venue.* Subject to the other dispute resolution provisions in this Section (including Sections 22(A), (B) and (D)), the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated in the state or, if applicable, federal court of general jurisdiction closest to (a) Dallas, Texas or, if appropriate, (b) the Franchisor's then-current headquarters. Developer acknowledges that this Agreement has been entered into in the State of Texas, and that Developer is to receive valuable and continuing services emanating from Franchisor's headquarters in Texas, including but not limited to training, assistance, support and the development of the System, under each Franchise Agreement that Developer enters into with Franchisor. In recognition of such services and their origin, Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas as set forth in this Section.

D. *Right to Injunctive Relief.* Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Developer's use of the Proprietary Marks and confidential information; (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Developer or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Developer waives all damage claims if the injunction is wrongfully issued.

E. *Third-Party Beneficiaries.* Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in Section 22 of this Agreement, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

F. *Notice Requirement.* As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Developer must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

G. *No Right to Offset.* Developer shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Developer under this Agreement or any related agreements.

H. *Limitation on Action(s).* Developer further agrees that no cause of action arising out of or under this Agreement may be maintained by Developer against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Developer becomes aware of facts or circumstances reasonably indicating that Developer may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Developer hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

I. *WAIVER OF CERTAIN NON-ACTUAL DAMAGES.* Developer hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Developer's recovery is limited to actual damages. Except for any damages or losses incurred by Franchisor as a result of or arising out of any of Developer's (a) breach of its non-compete or confidentiality obligations under this Agreement, (b) misuse or breach of its obligations under this Agreement as it relates to or arises out of the Proprietary Marks or the System, (c) fraud or willful misconduct, or (d) any other illegal conduct or bad faith actions, Franchisor hereby waives to the fullest extent permitted by law, any right to or claim for any punitive damages (and only punitive damages) against Developer arising out of any cause whatsoever (whether such cause be based on contract, negligence, strict liability, or other tort or otherwise). If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Developer's waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Developer's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

J. *JURY TRIAL WAIVER*. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT OR THE PERFORMANCE OF EITHER PARTY.

K. *WAIVER OF CLASS ACTION OR OTHER COLLECTIVE PROCEEDING.* THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

23. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, is considered severable and if, for any reason, any portion of this Agreement is held to be invalid, 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 in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties to this Agreement, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Developer is a party, otherwise upon Developer's receipt of a notice of non-enforcement from Franchisor.

(2) If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure Franchisor prescribes is invalid or unenforceable, the prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Developer agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions, or any specification, standard or operating procedure Franchisor prescribes, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

B. EXCEPTIONS

Neither Franchisor nor Developer are liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war or riot; or (6) any other similar event or cause. Any delay resulting from any of

these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Developer under this Agreement are cumulative and no exercise or enforcement by Franchisor or Developer of any right or remedy precludes the exercise or enforcement by Franchisor or Developer of any other right or remedy which Franchisor or Developer is entitled by law to enforce.

D. COSTS AND ATTORNEYS' FEES

If Developer is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Developer and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Developer must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and arbitration expenses. If either party institutes any legal action to interpret or enforce the terms of this Agreement, and such party's claim in such action is denied or the action is dismissed, or if otherwise determined by the court or authority adjudicating such action, the prevailing party shall be entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in the same, and to have such an amount awarded as part of the judgment in the proceeding.

E. VARIANCES

Developer acknowledges that Franchisor has and may at different times approve exceptions or changes from the uniform standards of the System in Franchisor's absolute sole discretion, which Franchisor deems desirable or necessary under particular circumstances. Developer understands that he has no right to object to or automatically obtain such variances, and any exception or change must be approved in advance from Franchisor in writing. Developer understands existing Developers may operate under different forms of agreements and that the rights and obligations of existing Developers may differ materially from this Agreement.

F. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Developer and Franchisor.

G. CONSTRUCTION/INTEGRATION CLAUSE

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, undertakings, representations, and agreements. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the FDD that Franchisor furnished to Developer. Developer acknowledges that Developer is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of Developer's own independent investigation of the franchised business and not as a result of any representations about Franchisor made by Franchisor's shareholders, officers, directors, employees, agents, representatives, independent contractors, attorneys, or Developers, which are contrary to the terms set forth in this Agreement or of any

franchise disclosure document, offering circular, prospectus, or other similar document required or permitted to be given to Developer pursuant to applicable law.

Developer hereby acknowledges and further represents and warrants to Franchisor that:

1. Developer has placed no reliance on any oral or written statements, whether referred to as representations, warranties, inducements, or otherwise, which are not contained in this Agreement or in the Franchise Disclosure Document;

2. Developer has entered into this Agreement after making an independent investigation of Franchisor's operations and the System;

3. Franchisor has not made any guarantee or provided any assurance that the business location will be successful or profitable regardless of whether Franchisor may have approved of the franchise or site location;

4. Developer has (a) read this Agreement in its entirety and understands its contents; (b) been given the opportunity to clarify any provisions that Developer did not understand and (c) had the opportunity to consult with professional advisors regarding the operation and effect of the Agreement and the operation of the System;

5. Developer has, together with its advisors, sufficient knowledge and experience in financial and business matters to make an informed decision with respect to the franchise offered by Franchisor; and

6. Developer has received a copy of the Franchise Disclosure Document not later than the first personal meeting held to discuss the sale of a franchise, or fourteen (14) calendar days before execution of this Agreement or fourteen (14) calendar days before any payment of any consideration.

Except as may have been disclosed at Item 19 of Franchisor's Franchise Disclosure Document, Developer represents and warrants to Franchisor that no claims, representations, or warranties regarding the earnings, sales, profits, success or failure of the franchised business have been made to Developer and no such claims, representations or warranties have induced Developer to enter into this Agreement.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement is binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

24. CAVEAT

A. The success of the business venture contemplated to be undertaken by this Agreement is speculative and depends, to a large extent, upon the ability of the Developer as an independent business person, and the active participation of Developer in the daily affairs of the business as well as other factors. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

B. Developer acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to gross sales, volume, potential earnings or profits which Developer in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth in this Agreement, to induce the Developer to accept this franchise and execute this Agreement.

C. Developer represents and acknowledges that he has received a copy of this Agreement, with all blanks filled in, from Franchisor at least seven (7) calendar days before the date of execution of this Agreement. Developer further represents that he understands the terms, conditions and obligations of this Agreement and agrees to be bound.

25. MISCELLANEOUS

A. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity who is not a party to this Agreement.

B. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of sections or paragraphs.

C. The "Developer" as used in this Agreement is applicable to one (1) or more persons, a corporation or a partnership or limited partnership or limited liability company as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Developer under this Agreement, their obligations and liabilities to Franchisor shall be joint and several. References to "Developer" and "Assignee" which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of Developer or the Assignee, if Developer or the Assignee is a corporation, partnership, limited partnership or limited liability company.

This Agreement shall be executed in multiple copies, each of which shall be deemed an original.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the Effective Date.

FRANCHISOR:

ONE GLOW FRANCHISE, LLC

By: _____

Print Name: Joshua Terzo

Title: Chief Executive Officer

Date: _____

DEVELOPER:

_____

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

By: _____

Print Name: _____

Title: _____

Date: _____

ATTACHMENT TO DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____ _____, 20____ (the "Effective Date"), by _____, (each a "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Development Agreement (the "Development Agreement") by and between ONE GLOW FRANCHISE, LLC (the "Franchisor"), and _____ ("Developer"), each of the undersigned (each, a "Guarantor") hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Development Agreement and as provided in the Development Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Development Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every obligation of Developer under the Development Agreement, both monetary obligations and non-monetary in nature, including without limitation, those obligations related to: confidentiality and non-disclosure; indemnification; the Proprietary Marks; the in-term and post-term covenants against competition, as well as all other restrictive covenants; and the governing law, venue, attorneys' fees and other dispute resolution provisions set forth in the Development Agreement (that shall also apply to this Guaranty and Assumption of Obligations).

Each Guarantor hereby 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 Guarantor may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) 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.

Each Guarantor hereby consents and agrees that: (1) such Guarantor's undertaking shall be direct, immediate and independent of the liability of, and shall be joint and several with, Developer and any other Guarantors; (2) Guarantor shall render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so; (3) Guarantor's liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; (4) Guarantor's liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to 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 Development Agreement; (5) this undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Developer or any assignee or successor of Developer or by any abandonment of the Development Agreement by a trustee of Developer; (6) 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 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; (7) Franchisor may proceed against Guarantor and Developer jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Developer; and (8) Guarantor shall 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.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty as of the Effective Date.

PERSONAL GUARANTORS

_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]
_____	_____
[Insert Name of Guarantor]	[Insert Name of Spouse]

EXHIBIT A TO THE DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

This Exhibit A to the Development Agreement is made and entered into on _____ ("Effective Date"), by and between: (i) ONE GLOW FRANCHISE, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108, Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Developer").

The development rights and obligations of Developer, _____, to timely develop and open System Studios shall be within the following described area:

_____

_____

_____

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit A to the Development Agreement as of the Effective Date.

DEVELOPER	**FRANCHISOR**
_____	**ONE GLOW FRANCHISE, LLC**
By: _____	By: _____
Name:_____	Name: Joshua Terzo
Title:_____	Title: Chief Executive Officer

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EXHIBIT B TO DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

This Exhibit B to the Development Agreement is made and entered into on _____ ("Effective Date"), by and between: (i) ONE GLOW FRANCHISE, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108, Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Developer").

1. Development Schedule

Developer, _____, agrees to timely open System Studios in compliance with the following development schedule (the "Development Schedule"). Developer further agrees that failure to timely open the Studios in compliance with the Development Schedule shall cause the rights of exclusivity granted to Developer regarding the geographic area defined in Exhibit A to be forfeited.

The Development Schedule is as follows:

Expiration of Development Period	Number of New Unit Franchises that Must be Opened and Commence Operations Within Development Period	Number of Unit Franchises that Must be Open and Operating by the Expiration of the Development Period

2. Forfeiture of Rights of Exclusivity

Developer's failure to comply with the Development Schedule in any manner shall be grounds for Franchisor to (a) terminate the Development Agreement to which this Development Schedule is attached as an Exhibit, or (b) in lieu of such termination, terminate any exclusive or other territorial rights that Developer may have within the Development Area or otherwise under the Development Agreement.

Signatures to appear on the following page.

©2023 ONE GLOW FRANCHISE, LLC

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit B to the Development Agreement as of the Effective Date.

DEVELOPER	**FRANCHISOR**
_____	**ONE GLOW FRANCHISE, LLC**
By: _____	By: _____
Name:_____	Name: Joshua Terzo
Title:_____	Title: Chief Executive Officer

EXHIBIT C TO DEVELOPMENT AGREEMENT

FRANCHISE AGREEMENT

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EXHIBIT D TO DEVELOPMENT AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPALS

This Exhibit D to the Development Agreement is made and entered into on _____ ("Effective Date"), by and between: (i) ONE GLOW FRANCHISE, LLC, a Texas limited liability company with its principal place of business at 5294 Belt Line Road, Suite 108, Dallas, Texas 75254 (the "Franchisor"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "Developer").

A. The following is a list of shareholders, partners, members or other investors in Developer, including all investors who own or hold a direct or indirect interest in Developer, and a description of the nature of their interest:

Name Percentage of Ownership/Nature of Interest

A. The following is a list of all of Principals described in and designated pursuant to this Development Agreement and their respective ownership and title information with regards to Developer:

Name	Ownership Interest	Role/Title with Developer

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IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit D to the Development Agreement as of the Effective Date.

DEVELOPER	**FRANCHISOR**
_____	**ONE GLOW FRANCHISE, LLC**
By: _____	By: _____
Name:_____	Name: Joshua Terzo
Title:_____	Title: Chief Executive Officer

EXHIBIT D TO
FRANCHISE DISCLOSURE DOCUMENT

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©2023 One Glow Franchise, LLC

Welcome to Glow! Sweat the Bad. Embrace the Good. Get the Glow.

CONFIDENTIAL
GENERAL & ADMINISTRATIVE MANUAL

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EXHIBIT E TO
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

As we are a new franchise offering as of the Issue Date, we have no current or former System franchise to disclose in this Exhibit.

©2023 One Glow Franchise, LLC

EXHIBIT F TO
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

ONE GLOW FRANCHISE
FINANCIAL STATEMENT
JANUARY 24, 2023

One Glow Franchise
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MONIS J. SIDDIQUI, CPA P.C.
Certified Public Accountant
917.309.5670

INDEPENDENT AUDITOR'S REPORT

To the Stockholders of
One Glow Franchise

Opinion

We have audited the balance statement of One Glow Franchise, as of January 24, 2023 (inception), and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of One Glow Franchise, as of January 24, 2023, 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 One Glow Franchise, 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 One Glow Franchise'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 One Glow Franchise'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 One Glow Franchise'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
Bellerose, NY
February 01, 2023

ONE GLOW FRANCHISE, LLC
BALANCE SHEET
JANUARY 24, 2023

ASSETS	
Cash	**$ 150,000**
Total Assets	**$ 150,000**
STOCKHOLDERS' EQUITY	
Liabilities	**$ -**
Stockholders' Equity	**150,000**
Stockholders' Equity	**$ 150,000**

See notes to financial statements

1. THE COMPANY

One Glow Franchise, LLC is a Texas Corporation formed in September 2022 to offer franchisees the opportunity to own and operate an Infrared Sauna, Chromotherapy, Red Light Therapy, and Halotherapy to the communities in which they operate. The Franchise concept was modeled after the high set of standards developed and implemented at the original location in Texas. One Flow Franchise, LLC is a business whose planned principal operations are to operate and sell franchises.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*-**The accompanying financial statements have 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 One Glow franchise, 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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 differ from those estimates.

Taxes on Income- The Company is an Limited Liability Company "LLC" for income tax purposes. There is no accrued tax payable as of January 24, 2022.

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 31, 2023, the date the financial statements were available to be issued.

EXHIBIT G TO
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

©2023 One Glow Franchise, LLC

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement is entered into this _____ day of _____, 20___ by and between One Glow Franchise, LLC on behalf of itself and its direct and indirect parents, subsidiaries and affiliates (hereinafter collectively referred to as the "Company") and _____ (hereinafter referred to as the "Recipient").

WHEREAS, the Company possesses certain confidential information pertaining to its businesses; and,

WHEREAS, the Recipient may, from time to time, receive a disclosure of such confidential information from the Company or its agents, consultants or affiliates for the purpose of enabling the Recipient to evaluate a possible franchise opportunity (the "Franchise Opportunity"); and,

THEREFORE, the Recipient agrees to hold in confidence and to refrain from the unauthorized use of Confidential Information (as hereinafter defined) as set forth below:

1. Confidential Information.

(a) As used herein, "Confidential Information" means information about the Company, in whatever format, furnished to the Recipient pursuant to this Agreement by or on behalf of the Company, including, but not limited to, information regarding policies and procedures; concepts; tools; techniques; contracts; business records; marketing information and plans; demographic information; operations; basic Business inventory; sales; costs; employees; vendors; suppliers; expansion plans (e.g. existing, and entry into new, geographic and/or product markets); location of Businesses and offices (including proposed locations); lawsuits and/or claims; management philosophy; customer lists; rental activity reports; sell-through activity reports; and confidential information received from third parties pursuant to a confidential disclosure agreement,

(b) Confidential Information does not include information that (i) was available to the public prior to the time of disclosure, (ii) becomes available to the public through no act or omission of the Recipient, or (iii) communicated rightfully to Recipient free of any obligation of nondisclosure and without restriction as to its use. Recipient shall bear the burden of demonstrating that the information falls under one of the above-described exceptions.

2. Non-Use and Non-Disclosure.

Recipient agrees to (i) hold the Confidential Information in confidence and refrain from disclosing Confidential Information, or transmitting any documents or copies containing Confidential Information, to any other party except as permitted under the terms of this Agreement, (ii) use the Confidential Information only to assist the Recipient in evaluation of the Franchise Opportunity and will not disclose any of it except to the Recipient's directors, officers, employees and representatives (including outside attorneys, accountants and consultants) (collectively its "Representatives") who need such information for the purpose of evaluating the Franchise Opportunity (and the Recipient shall require such Representatives to agree to be bound by the provisions of this Agreement and the Recipient shall be responsible for any breach of the terms of this Agreement by its Representatives). Recipient shall use at least the standard of care with respect to protecting the Confidential Information that it accords or would accord its own proprietary and confidential information.

3. Ownership and Implied Rights.

All Confidential Information shall remain the exclusive property of the Company and nothing in

this Agreement, or any document, or any course of conduct between the Company and the Recipient, shall be deemed to grant the Recipient any rights in or to the Confidential Information, or any part thereof.

Nothing herein shall obligate Company to enter into a franchise relationship with Recipient. Company may for any reason or for no reason decline to enter into a franchise relationship with Recipient. Recipient acknowledges that Company is under no obligation to enter into or execute a franchise agreement with Recipient on the basis of this Agreement or for any other reason.

4. Restrictions on Copying.

Recipient shall not make any copies of any Confidential Information, except as may be strictly necessary for Recipient to evaluate the Franchise Opportunity. Any copies made by Recipient shall bear a clear stamp or legend indicating their confidential nature. Recipient shall not remove, overprint or deface any notice of copyright, trademark, logo, or other notices of ownership from any originals or copies of Confidential Information.

5. Return of Materials.

At the request of the Company at any time, the Recipient shall promptly return to the Company all Confidential Information that may be contained in printed, written, drawn, recorded, computer disk or any other form whatsoever which is in the possession or control of the Recipient or the location of which is known by the Recipient, including all originals, copies, reprints and translations thereof and any notes prepared by the Recipient or its Representatives in connection with the Confidential Information.

6. Breach.

(a) In the event of Recipient's breach of its obligations under this Agreement or any other agreement with the Company, Company shall have the right to (i) demand the immediate return of all Confidential Information, (ii) recover its actual damages incurred by reason of such breach, including, but not limited to, its attorneys' fees and costs of suit, (iii) obtain injunctive relief to prevent such breach or to otherwise enforce the terms of this Agreement, and (iv) pursue any other remedy available at law or in equity.

(b) The Recipient recognizes that the Company would suffer irreparable harm for which it would not have an adequate remedy at law if the Recipient were to violate the covenants and agreements set forth herein. Accordingly, the Recipient agrees that the Company shall be entitled to specific performance and injunctive relief as remedies for any such breach and that, in such event, no bond shall be required. This remedy shall be in addition to any other remedy available at law or in equity.

7. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN STRICT ACCORDANCE WITH THE SUBSTANTIVE LAW OF THE STATE OF TEXAS WITHOUT REFERENCE TO CONFLICT OF LAW RULES. THE RECIPIENT HEREBY TEXAS TO THE JURISDICTION OF THE DISTRICT COURTS OF THE STATE OF TEXAS AND ANY PROCEEDING ARISING BETWEEN THE PARTIES HERETO IN ANY MANNER PERTAINING OR RELATED TO THIS AGREEMENT SHALL TO THE EXTENT PERMITTED BY LAW, BE HELD IN TEXAS.

8. Waiver; Severability.

Any failure on the part of the Company to insist upon the performance of this Agreement or any part thereof, shall not constitute a waiver of any right under this Agreement. No wavier of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. If any provision of this Agreement, or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

9. Accuracy of Confidential Information.

(a) The Company makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Neither the Company nor any of the officers, directors, employees, agents, advisors, legal counsel or other representatives or affiliates thereof, shall be subject to any liability resulting from the use of the Confidential Information by the Recipient and its Representatives.

(b) The Recipient acknowledges that the restrictions set forth herein are fair and reasonable and are necessary in order to protect the business of the Company and the confidential nature of the Confidential Information. The Recipient further acknowledges that the Confidential Information is unique to the business of the Company and would not be revealed to Recipient were it not for its willingness to agree to the restrictions set forth herein.

10. Applicability.

The terms, conditions and covenants of this Agreement shall apply to all business dealings and relations between the Company and the Recipient.

RECIPIENT

_____
_____
_____

By: _____
Name: _____
Title: _____

ONE GLOW FRANCHISE, LLC

By: _____
Name: _____
Title: _____

EXHIBIT G TO
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

©2023 One Glow Franchise, LLC

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement is entered into this _____ day of _____, 20___ by and between One Glow Franchise, LLC on behalf of itself and its direct and indirect parents, subsidiaries and affiliates (hereinafter collectively referred to as the "Company") and _____ (hereinafter referred to as the "Recipient").

WHEREAS, the Company possesses certain confidential information pertaining to its businesses; and,

WHEREAS, the Recipient may, from time to time, receive a disclosure of such confidential information from the Company or its agents, consultants or affiliates for the purpose of enabling the Recipient to evaluate a possible franchise opportunity (the “Franchise Opportunity”); and,

THEREFORE, the Recipient agrees to hold in confidence and to refrain from the unauthorized use of Confidential Information (as hereinafter defined) as set forth below:

1. Confidential Information.

(a) As used herein, "Confidential Information" means information about the Company, in whatever format, furnished to the Recipient pursuant to this Agreement by or on behalf of the Company, including, but not limited to, information regarding policies and procedures; concepts; tools; techniques; contracts; business records; marketing information and plans; demographic information; operations; basic Business inventory; sales; costs; employees; vendors; suppliers; expansion plans (e.g. existing, and entry into new, geographic and/or product markets); location of Businesses and offices (including proposed locations); lawsuits and/or claims; management philosophy; customer lists; rental activity reports; sell-through activity reports; and confidential information received from third parties pursuant to a confidential disclosure agreement,

(b) Confidential Information does not include information that (i) was available to the public prior to the time of disclosure, (ii) becomes available to the public through no act or omission of the Recipient, or (iii) communicated rightfully to Recipient free of any obligation of nondisclosure and without restriction as to its use. Recipient shall bear the burden of demonstrating that the information falls under one of the above-described exceptions.

2. Non-Use and Non-Disclosure.

Recipient agrees to (i) hold the Confidential Information in confidence and refrain from disclosing Confidential Information, or transmitting any documents or copies containing Confidential Information, to any other party except as permitted under the terms of this Agreement, (ii) use the Confidential Information only to assist the Recipient in evaluation of the Franchise Opportunity and will not disclose any of it except to the Recipient's directors, officers, employees and representatives (including outside attorneys, accountants and consultants) (collectively its "Representatives") who need such information for the purpose of evaluating the Franchise Opportunity (and the Recipient shall require such Representatives to agree to be bound by the provisions of this Agreement and the Recipient shall be responsible for any breach of the terms of this Agreement by its Representatives). Recipient shall use at least the standard of care with respect to protecting the Confidential Information that it accords or would accord its own proprietary and confidential information.

3. Ownership and Implied Rights.

All Confidential Information shall remain the exclusive property of the Company and nothing in

this Agreement, or any document, or any course of conduct between the Company and the Recipient, shall be deemed to grant the Recipient any rights in or to the Confidential Information, or any part thereof.

Nothing herein shall obligate Company to enter into a franchise relationship with Recipient. Company may for any reason or for no reason decline to enter into a franchise relationship with Recipient. Recipient acknowledges that Company is under no obligation to enter into or execute a franchise agreement with Recipient on the basis of this Agreement or for any other reason.

4. Restrictions on Copying.

Recipient shall not make any copies of any Confidential Information, except as may be strictly necessary for Recipient to evaluate the Franchise Opportunity. Any copies made by Recipient shall bear a clear stamp or legend indicating their confidential nature. Recipient shall not remove, overprint or deface any notice of copyright, trademark, logo, or other notices of ownership from any originals or copies of Confidential Information.

5. Return of Materials.

At the request of the Company at any time, the Recipient shall promptly return to the Company all Confidential Information that may be contained in printed, written, drawn, recorded, computer disk or any other form whatsoever which is in the possession or control of the Recipient or the location of which is known by the Recipient, including all originals, copies, reprints and translations thereof and any notes prepared by the Recipient or its Representatives in connection with the Confidential Information.

6. Breach.

(a) In the event of Recipient's breach of its obligations under this Agreement or any other agreement with the Company, Company shall have the right to (i) demand the immediate return of all Confidential Information, (ii) recover its actual damages incurred by reason of such breach, including, but not limited to, its attorneys' fees and costs of suit, (iii) obtain injunctive relief to prevent such breach or to otherwise enforce the terms of this Agreement, and (iv) pursue any other remedy available at law or in equity.

(b) The Recipient recognizes that the Company would suffer irreparable harm for which it would not have an adequate remedy at law if the Recipient were to violate the covenants and agreements set forth herein. Accordingly, the Recipient agrees that the Company shall be entitled to specific performance and injunctive relief as remedies for any such breach and that, in such event, no bond shall be required. This remedy shall be in addition to any other remedy available at law or in equity.

7. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN STRICT ACCORDANCE WITH THE SUBSTANTIVE LAW OF THE STATE OF TEXAS WITHOUT REFERENCE TO CONFLICT OF LAW RULES. THE RECIPIENT HEREBY TEXAS TO THE JURISDICTION OF THE DISTRICT COURTS OF THE STATE OF TEXAS AND ANY PROCEEDING ARISING BETWEEN THE PARTIES HERETO IN ANY MANNER PERTAINING OR RELATED TO THIS AGREEMENT SHALL TO THE EXTENT PERMITTED BY LAW, BE HELD IN TEXAS.

8. Waiver; Severability.

Any failure on the part of the Company to insist upon the performance of this Agreement or any part thereof, shall not constitute a waiver of any right under this Agreement. No wavier of any provision of this Agreement shall be effective unless in writing and executed by the party waiving the right. If any provision of this Agreement, or the application thereof to any person or circumstance shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

9. Accuracy of Confidential Information.

(a) The Company makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Neither the Company nor any of the officers, directors, employees, agents, advisors, legal counsel or other representatives or affiliates thereof, shall be subject to any liability resulting from the use of the Confidential Information by the Recipient and its Representatives.

(b) The Recipient acknowledges that the restrictions set forth herein are fair and reasonable and are necessary in order to protect the business of the Company and the confidential nature of the Confidential Information. The Recipient further acknowledges that the Confidential Information is unique to the business of the Company and would not be revealed to Recipient were it not for its willingness to agree to the restrictions set forth herein.

10. Applicability.

The terms, conditions and covenants of this Agreement shall apply to all business dealings and relations between the Company and the Recipient.

RECIPIENT

_____
_____
_____

By: _____
Name: _____
Title: _____

ONE GLOW FRANCHISE, LLC

By: _____
Name: _____
Title: _____

EXHIBIT H TO
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE FORM OF GENERAL RELEASE

SAMPLE FORM OF GENERAL RELEASE

This General Release ("Release") is made and entered into on this _____ day of _____ _____, 20___ (the "Effective Date") by and between One Glow Franchise, LLC ("Franchisor") and _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor and Franchisee are parties to a franchise agreement (the "Franchise Agreement") dated _____, 20__, granting Franchisee the right to operate a franchised business under Franchisor's then-current proprietary marks and system at the following location: _____ _____.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely releases and forever discharges Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors. The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release. Releasors hereby acknowledge that this release is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist.

Each of the Releasors expressly acknowledges that they are familiar with 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 his or her favor at the time of executing a release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Each of the Releasors hereby specifically and expressly waives all rights that it may have under Section 1542 of the California Civil Code or any similar provision of law in any other jurisdiction. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Releasors acknowledge and agree that they have read the terms of this Release, they fully understand and voluntarily accept the terms, and that they have entered into this Release voluntarily and without any coercion.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the Effective Date.

FRANCHISOR	**FRANCHISEE**
By:_____	By:_____
Name: _____	Name:_____
Title:_____	Title:_____

EXHIBIT I TO
FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA

PLEASE NOTE THAT THE SIGNATURE PAGE FOR THE APPROPRIATE ADDENDUM OR ADDENDA IDENTIFIED IN THE "APPLICABLE STATE" LINE AT THE END OF ALL STATE ADDENDA SET FORTH BELOW FOLLOWS ALL THE ADDENDA BELOW AND SHOULD BE SIGNED IF THE FRANCHISE BEING AWARDED IS SUBJECT TO ONE OR MORE OF THE APPLICABLE STATE FRANCHISE PRE-SALE DISCLOSURE AND REGISTRATION LAWS BELOW. THERE IS NOT A SPECIFIC SIGNATURE PAGE FOR EACH ADDENDUM UNLESS SPECIFICALLY REQUIRED BY THAT STATE.

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA APPENDIX

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

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

3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreement. These provisions may not be enforceable under California law.

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

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The franchise agreement requires binding arbitration. The arbitration will occur in Texas with the costs being borne by the franchisee and franchisor. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

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

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

10. 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 and 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.

11. OUR WEBSITE, www.glowsaunastudios.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION.

ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

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

ATTEST

_____
Witness

ONE GLOW FRANCHISE, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____
Witness

_____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

The conditions under which the Franchise Agreement and/or Development Agreement can be terminated and your rights upon nonrenewal may be affected by Illinois law (815 ILCS 705/19 and 705/20).

For choice of law purposes, and for the interpretation and construction of the Franchise Agreement and Development Agreement, Illinois law governs.

> Although the Franchise Agreement and Development Agreement require litigation to be instituted in a court in Texas, all litigation must be instituted in a court of competent jurisdiction located in the State of Illinois, subject to the mediation provision of the Franchise Agreement and Development Agreement.

The undersigned hereby acknowledge and agree that this Addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

ONE GLOW FRANCHISE, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

Neither One Glow Franchise, LLC, its affiliate, nor any person identified in Item 2, has any material arbitration proceeding pending, or has during the ten (10) year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

The Franchise Agreement and Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under Indiana law.

Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the Franchise Agreement and/or Development Agreement and the termination is not done in bad faith.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

ADDENDUM REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(A) A PROHIBITION OF 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 EACH 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, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, 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 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 QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

In the Franchise Agreement, we agree to indemnify you against losses and liabilities for which you are held liable in any proceeding arising out of your use of the mark "GLOW SAUNA STUDIOS" or any other trademark, service mark or logotype that you are authorized by us to use with the System franchise. This indemnification is contingent upon you using the marks or logotypes in accordance with the provisions of the Franchise Agreement.

You are not granted any trademark rights under the Development Agreement.

We will comply with Minnesota Statute Section 80C.14 subdivisions 3, 4 and 5 which require, except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and/or Development Agreement.

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

Minn. Rule Part 2869.4400(d) prohibits us from requiring that you assent to a general release as set forth in Item 17 of this Disclosure Document.

Nothing in the Disclosure Document, Franchise Agreement or Development Agreement shall effect your rights under Minnesota Statute Section 80C.17, Subd. 5.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

All references to "Disclosure Document" shall be deemed to include the term "Disclosure Document" as used under New York law.

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

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

2. The following is added at the end of Item 3:

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
>
> D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

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

4. The following is added to the end of Item 5:

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

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

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

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

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

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

"A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

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

ATTEST

_____
Witness

ONE GLOW FRANCHISE, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____
Witness

_____

STATE SPECIFIC ADDENDA
TO THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Notwithstanding Section 15 of the Franchise Agreement and Section 14 of the Development Agreement, the conditions under which these agreements can be terminated and the parties' rights upon non-renewal may be affected by Illinois law, (815 ILCS 705/19 and 705/20).

Section 1(A) of the Franchise Agreement, as well as the first paragraph of Section 23(G) of the Development Agreement, is hereby modified by adding the following text after the last sentence thereof:

> The parties expressly confirm that there are no other oral or written agreements, "side-deals", arrangements or understandings between them except as set forth herein and in Franchisor's applicable Franchise Disclosure Document.

Notwithstanding anything to the contrary in Section 21(A) of the Franchise Agreement, as well as Section 21 of the Development Agreement, Illinois law shall govern this Agreement and the parties agree that, to the extent any legal action or proceeding arising out of or relating to these agreements is initiated and not subject to mediation pursuant to Section 21(C) of the Franchise Agreement or Section 22(B) of the Development Agreement, all such actions or proceedings shall be brought in Illinois courts.

Nothing in the Franchise Agreement or Development Agreement shall limit or prevent the enforcement of any cause of action otherwise enforceable in Illinois or arising under the Illinois Franchise Disclosure Act of 1987, as amended.

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 and 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.

Any condition, stipulation or provision of the Franchise Agreement purporting to bind Franchisee to a waiver of compliance with the Illinois Franchise Disclosure Act of 1987, as amended, is void.

The undersigned hereby acknowledge and agree that this Addendum is hereby made part of and incorporated into the foregoing Franchise Agreement and/or Development Agreement.

ONE GLOW FRANCHISE, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

Section 21(D) of the Franchise Agreement, as well as Section 22(D) of the Development Agreement, are hereby modified to provide that: (i) the acts described in these Sections may cause Franchisor irreparable harm; and (ii) Franchisor is entitled to seek (rather than obtain) restraining orders or injunctive relief in accordance with the terms of these Sections without the necessity of posting a bond.

Section 13(E)(3) of the Franchise Agreement and Section 16(C)(3) Development Agreement are hereby deleted in their entirety.

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified by adding the following subsection after the last subsection thereof:

> Indiana Law. The conditions under which this Agreement can be terminated may be affected by Indiana law [IC Stat. Sec. 23-2-2.5 and 23-2-2.7] which provides Franchisee with certain termination rights.

Section 21(C) of the Franchise Agreement and Section 22(B) of the Development Agreement are hereby modified such that Franchisor agrees to select as the place for mediation a location within the State of Indiana and the laws of the State of Indiana shall apply to the mediation proceedings.

Section 21(I) of the Franchise Agreement is hereby modified by deleting everything in the first sentence thereof after the words "brought before the expiration of" and before "and that any action not brought…," and replacing the deleted portion with "two (2) years after the violation of IC Stat. 23-2 and, with respect to other claims, three (3) years after discovery by the Franchisee/Developer of the facts constituting the violation."

Any covenant not to compete in the Franchise Agreement or Development Agreement which extends beyond the termination of such agreement(s) (whichever are applicable) may not be enforceable under Indiana law.

Notwithstanding anything to the contrary in Section 21(A) of the Franchise Agreement and Section 21 of the Development Agreement, the laws of the State of Indiana shall govern the construction and enforcement of these agreements.

Section 21(E) of the Franchise Agreement, as well as Section 22(C) of the Development Agreement, are hereby modified by adding the following text as the last sentence thereof:

> This provision shall not in any way abrogate or reduce any rights of Franchisee as provided for under Indiana law including, but not limited to, the right to submit matters to the jurisdiction of the courts of Indiana.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

The Sections of the Franchise Agreement and Development Agreement regarding your obligation to execute a general release upon assignment or renewal are deleted in their entirety in accordance with Minnesota Rule Part 2860.4400(D).

Section 7(N) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

> Q. Franchisor agrees to indemnify Franchisee from and against any losses, liabilities and damages for which Franchisee is held liable by a court of competent jurisdiction in any proceeding arising solely out of Franchisee's use of the mark "GLOW SAUNA STUIOS" and all other trademarks, service marks and associated marks and symbols utilized by Franchisee pursuant to this Agreement, provided such use is in accordance with and pursuant to the provisions of this Agreement. The foregoing indemnification is conditioned upon the following: Franchisee must (i) provide written notice to Franchisor of any claims subject to indemnification hereunder within twenty (20) days of Franchisee's receipt of any written information pertaining to such claims, (ii) tender the defense of the claims to Franchisor if Franchisor so desires, and (iii) permit Franchisor to have sole control of the defense and settlement of any such claim.

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified to add the following subsection after the last subsection therein:

> Minnesota Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Minnesota law which provides Franchisee with certain termination and non-renewal rights. Minnesota Statute Section 80C.14, subdivisions 3, 4 and 5 require, except in certain specified cases, that the Franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Franchise Agreement.

Section 21(D) of the Franchise Agreement, as well as Section 22(B) of the Development Agreement, are hereby modified by adding the word "seek to" in the first sentence thereof after the word "to" and before the word "obtain."

Section 21(E) of the Franchise Agreement, as well as Section 22(C) of the Development Agreement, are hereby modified by adding the following text as the last sentence thereof:

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

Section 21(I) of the Franchise Agreement and Section 22(H) of the Development Agreement are hereby modified by replacing all references of "one year" time limit to "three years" time limit to institute claims.

Nothing in the Franchise Agreement or Development Agreement is intended to abrogate or reduce any rights of the Franchisee as provided in for Minnesota Statutes, Chapter 80C.

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

Section 15 of the Franchise Agreement, as well as Section 14 of the Development Agreement, are hereby modified to add the following subsection after the last subsection therein:

> Wisconsin Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Wisconsin law, Chapter 135, Wisc. Stats., the Wisconsin Fair Dealership Law.

Section 21(E) of the Franchise Agreement, as well as Section 22 of the Development Agreement, are hereby modified by adding the following language after the last sentence thereof:

> "The Wisconsin Fair Dealership Law supersedes any provision of this Agreement which is inconsistent with that law."

FOR RESIDENTS OF ALL STATES LISTED IN THIS ADDENDUM

Notwithstanding any provisions of Section 22 of the Franchise Agreement or Section 23(G) of the Development Agreement to the contrary, this Addendum shall not be merged with or into, or superseded by, the Franchise Agreement and/or Development Agreement (as applicable). In the event of any conflict between the Franchise/Development Agreement and this Addendum, this Addendum shall be controlling. Except as otherwise expressly set forth herein, no other amendments or modifications of the Franchise Agreement and Development Agreement are intended or made by the parties.

Applicable State: _____

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:	**FRANCHISOR:**
[INSERT FRANCHISEE NAME]	**ONE GLOW FRANCHISE, LLC**
By: _____	By: _____
[INSERT NAME], [INSERT TITLE]	Joshua Terzo, Authorized Officer

EXHIBIT J TO
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE*

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES : CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE) :

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, One Glow Franchise, LLC ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

   Yes____ No____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

   Yes____ No____

   If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

   _____

   _____

   _____

3. Did we make any material changes to the form of Franchise Agreement that was included in the Franchise Disclosure Document you received from us, which were not negotiated with you?

   Yes____ No____

   If "Yes," did you receive a copy of the final Franchise Agreement at least seven (7) calendar days prior to signing it?

   Yes____ No____

4. Have you received and personally reviewed the Franchise Disclosure Document we provided to you?

   Yes____ No____

5. Do you understand all of the information contained in the Franchise Disclosure Document?

Yes____ No____

If "No," what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

6. Did you receive a copy of the Franchise Disclosure Document at least fourteen (14) calendar days prior to signing any agreement with us or paying us any money or other consideration?

Yes____ No____

7. Have you discussed the benefits and risks of operating a franchised business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes____ No____

8. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors that are outside of our control?

Yes____ No____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a business operated by us or our franchisees?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

10. Has any employee or other person speaking on our behalf made any statement or promise concerning your franchised business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

11. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a franchised business?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

12. Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a business will generate?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

_____

13. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a business?

Yes____ No____

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

_____

14. Were you provided any actual or estimated revenue or sales figures or amounts in connection with any pro forma profit and loss statement that may have been furnished to you by any employee or other person on our behalf?

Yes____ No____

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

_____

15. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and whom they were made by? (Attach additional pages, if necessary)

_____

_____

16. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes____ No____

17. Do you understand that nothing in the Franchise Agreement or in our communications with one another is intended to make, or in fact makes, either you or us a general or limited partner, general or special agent, joint venturer, or employee of the other for any purpose, that the Franchise Agreement does not create a fiduciary relationship between you and us, and that we and you are and will be independent contractors during the term of the Franchise Agreement?

Yes____ No____

18. Do you understand that you, and not the Franchisor, have the duty and obligation to locate and lease a site for the Franchised Business and that the Franchisor's approval of a site is not an assurance, representation or warranty as to the suitability of the Franchised Business's site or the Franchised Business's profitability or success?

Yes____ No____

19. Were you referred to Franchisor or this franchise concept by another individual?

Yes____ No____

If "Yes," did that person make any statement or promise concerning your franchised business that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No____

If "Yes," please describe the nature of the statements and by whom they were made? (Attach additional pages, if necessary)

_____

_____

_____

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

By signing this Questionnaire, you agree that you understand that your answers are important to us and that we will rely on them, and you are representing that you have responded truthfully to the above questions.

_____
FRANCHISE APPLICANT

_____
Print Name

Date: _____, 20_____

EXHIBIT K TO
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	March 27, 2023
Hawaii	Not Registered
Illinois	Different Form of FDD
Indiana	March 14, 2023
Maryland	Not Registered
Michigan	February 28, 2023
Minnesota	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	March 6, 2023

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.

©2023 One Glow Franchise, LLC

EXHIBIT L TO
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

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 One Glow Franchise, LLC ("Franchisor") offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, Franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that Franchisor gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If Franchisor 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 your state agency listed in Exhibit A.

The One Glow Franchise, LLC authorizes the agents listed in Exhibit A to receive service of process on its behalf.

The franchise seller(s) offering this franchise are set forth below:

Josh Terzo, c/o One Glow Franchise, LLC, 5294 Belt Line Road, Suite 108, Dallas, Texas 75254

_____

Issuance Date: February 14, 2023.

I have received a disclosure document dated February 14, 2023 that included the following exhibits:

EXHIBIT A	List of State Administrators; List of Agents for Service of Process.	EXHIBIT G	Sample Confidentiality and Non-Disclosure Agreement
EXHIBIT B	Franchise Agreement		
EXHIBIT C	Development Agreement	EXHIBIT H	Sample General Release Agreement
EXHIBIT D	Tables of Contents for Manual(s)	EXHIBIT I	State Addenda
EXHIBIT E	List(s) of Current and Former Franchisees	EXHIBIT J	Franchisee Questionnaire
		EXHIBIT K	State Effective Dates
EXHIBIT F	Financial Statements	EXHIBIT L	Receipt(s)

_____	_____	_____
Date	Prospective Franchisee	Print Name
_____	_____	_____
Date	Prospective Franchisee	Print Name

PLEASE SIGN AND DATE THIS PAGE AND RETAIN THIS PAGE IN YOUR POSSESSION AS PART OF YOUR RECORDS.

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Date	Prospective Franchisee	Print Name
Date	Prospective Franchisee	Print Name

PLEASE SIGN AND DATE THIS PAGE AND RETURN THIS PAGE TO FRANCHISOR AT THE ADDRESS IDENTIFIED IN ITEM 23 OF THIS DISCLOSURE DOCUMENT ABOVE.

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