FRANCHISE DISCLOSURE DOCUMENT

Heyday Franchise LLC
A Delaware Limited Liability Company
251 Little Falls Drive
Wilmington, DE 19808
https://www.heydayskincare.com/
sean@heydayskincare.com

You will operate an upscale shop offering skincare services and products and services in a warm, inviting, and unintimidating retail location under the trade name and service mark HEYDAY®.

The total investment necessary to begin operation of a Heyday Shop franchise ranges from **$574,000 to $755,500**. This includes **$~~92,000~~98,000 to $~~112,000~~124,000** that must be paid to Franchisor or its affiliates. The total investment necessary to enter into a Development Rights Agreement with us is **$75,000 to $125,000.** This includes **$75,000 to $125,000** that must be paid to us and our affiliates.

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 Sean Bock at 4455 East Camelback Rd., Suite 215A, Phoenix, AZ 85018, sean@heydayskincare.com, (602) 505-4325.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Franchise 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 you 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: January 28, 2021

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 us by mediation, arbitration and/or litigation only in New York. Out-of- state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate or litigate with us in New York than in your home state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory and supplies necessary to operate your Heyday Shop from us, our affiliates, or from third party suppliers that we designate at prices that we or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit if your franchised business.
3. **Early Stage Franchisor.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **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.

~~**This Franchise**.~~ Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

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in a defined geographic area referred to as the "Development Area" on or before the Development Deadlines included in the Development Rights Agreement.

We require you to sign a Franchise Agreement. You may, but are not obligated to sign a Development Rights Agreement. If we enter into a Development Rights Agreement, you and we will agree to a Development Schedule that outlines the dates by which each of those additional Heyday Shops must be opened. (See Exhibit D). If you sign a Development Rights Agreement, you will be required to sign the Franchisor's then current form of Franchise Agreement when you sign subsequent franchise agreements pursuant to the Development Rights Agreement. Our then current form of Franchise Agreement may differ from the form of Franchise Agreement includes in this Disclosure Document.

A typical Shop will be located in a Class A retail center, house 6 to 10 rooms, and have 1,400 to 2,200 square feet.

Market and Competition

Skincare products and services are well developed and highly competitive. We believe, however, that Heyday Shops occupy an underserved niche market for facial services in a warm and inviting environment for a reasonable price. Your Shop will compete with high end salons and spas that offer facials at higher price points, and budget salons and spas that offer facials at similar price points, in a less inviting environment.

Industry Specific Regulations

Your Shop's estheticians must be licensed estheticians in the state in which the Shop operates. You also must comply with all municipal, county, and state regulations relating to the operation of salons and spas including applicable health and sanitation regulations. Additionally, environmental laws may regulate the way in which certain solutions are used, stored, and disposed of in the process of providing services to your customers. Building codes may require special ventilation in your Shop.

Your Shop may require zoning or land use approvals, sales and use tax permits, special tax stamps, fire department permits, health permits, alarm permits, county occupational permits, retail sales licenses, and wastewater discharge permits. There may be other laws, rules, or regulations that affect your Shop, including ADA, OSHA, and EPA considerations.

You must also comply with applicable cosmetology and esthetics' regulations, employment laws, including federal and state discrimination laws, minimum wage, and other laws and regulations that apply to businesses generally. We do not offer opinions or assistance with local licensing issues. You are encouraged to retain local counsel to advise and assist you with these matters.

You are responsible for knowing and complying with all laws and licensing requirements related to the operation of your Shop. We strongly recommend that you consult with your own counsel concerning all applicable licenses, laws, and regulations before you decide to purchase a franchise.

ITEM 2 BUSINESS EXPERIENCE

Adam Ross-Chief Executive Officer. Mrs. Ross has served as our Chief Executive Officer since June 2014 in New York, NY.

Michael Pollak-Chief Experience Officer. Mr. Pollak has served as our Chief Experience Officer since August 2014 in New York, NY.

Maureen Sullivan-President and Chief Operating Officer. Mrs. Sullivan has served as our President and Chief Operating Officer since September 2020 in New York, NY. From September 2015 to March 2020, Mrs. Sullivan was the President and Chief Operating Officer for Rent the Runway in New York, NY.

Sean Bock-Chief Development Officer. Mr. Bock has served as our Chief Development Officer since October 2020. Mr. Bock was the Vice President of Franchising and Licensing for DryBar Franchising, LLC in Irvine, California between September 2014 and June 2020.

Marcy Mancina-Vice President of Operations. Ms. Mancina has served as our Vice President of Operations since July 2019. From September 2018 to May 2019, Ms. Mancina served as the Chief Operating Officer for Hudson BLVD. Group in New York, NY. From August 2015 to July 2018, Ms. Mancina served as the Vice President of Corporate Stores and Operations for European Wax Center in Fort Lauderdale, FL.

Laura Noonan-Vice President of Business Operations. Ms. Noonan has served as our Vice President of Business Operations since October of 2020. From January 2019 to September 2020, she served as the Director Strategy & Finance in Los Angeles, CA. From July 2017 to January 2019, Ms. Noonan served as the Finance Manager (Profitability + Growth) for Sweetgreen in Los Angeles, CA. From August 2014 to July 2017, Ms. Noonan served as Financial Planning + Analysis Manager for Sweetgreen.

Shea Amiruddin-Director of Skincare Education. Ms. Amiruddin has served as our Director of Skincare Education since January 2019 in New York, NY. From July 2016 to January 2019, Ms. Amiruddin served as the Undergraduate Education Manager for Dermalogica in New York, NY. From October 2014 to July 2016, Ms. Amiruddin served as the Education Director for Dermalogica Academy in New York, NY.

Collin Russell-Director of Talent and Culture. Mr. Russell has served as our Director of Talent and Culture since July 2020 in New York, NY. From October 2018 to June 2020, Mr. Russell served as our Manager of Talent. From January 2017 to October 2018, Mr. Russell served as the Manager, Instructor Programming and Talent Management for SoulCycle in Philadelphia, PA. From December 2015 to December 2016, Mr. Russell served as the Instructor Programming Administrator for SoulCycle in New York City.

Chiara Kramer-Director of Business Operations. Ms. Kramer has served as the Director of Business Operations since October of 2020. From August 2018 to September of 2020, she served as Manager of Operations Services. From November 2017 to August 2018, Ms. Kramer was a self-employed Production and Marketing Strategy consultant in Los Angeles, CA. Between March 2017 and November 2017, Ms. Kramer served as the Community Director for Parsley Health in Los Angeles, CA. Ms. Kramer served as Director of Entertainment Marketing and Production for Mirrored Media from May 2015 to August 2016 in Los Angeles, CA.

ITEM 3 LITIGATION

There is no litigation required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

~~There are no matters~~No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee
When you sign the Franchise Agreement, you will pay us a $50,000 initial franchise fee ("Initial Franchise Fee"). The Initial Franchise Fee is generally uniform for all franchisees, and is nonrefundable upon payment. During 2020, we did not collect any Initial Franchise Fees. Initial Franchise Fees are revenue to us and used as we deem appropriate.
Site Selection Assistance
~~Before you select a site for your Shop, if you use our designated national tenant broker, we will provide you with certain site selection assistance as we deem appropriate. We will visit your market once to review your proposed sites for your Shop at no extra cost. If we need to visit additional sites for your~~

~~Shop beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker. We estimate the site assistance payments per additional visit would be approximately $5,000 (including $1,500 to $2,000 to be retained to us).~~

~~If you do not use our designated national tenant broker, we will still provide you with certain site selection assistance as we deem appropriate and also visit your market to review your proposed sites for your Shop at no extra cost. If we need to visit additional sites for Shops beyond the one visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker. We estimate the site assistance payments per additional visit would be less than $5,000 (including $1,500 to $2,000 to be retained to us)~~

You must hire (and contract directly with) our designated Real Estate, Project and Construction Manager, which is currently L5 Acceleration Services, LLC ("l5 Acceleration") to provide various real estate and construction management services (including site selection, lease negotiation, and shop development services). You will enter into a Real Estate Services Vendor Agreement ("RSVA") with L5 Acceleration and pay L5 Acceleration a management fee at the same time you sign the Franchise Agreement. A copy of the form RSVA used by L5 Acceleration is attached hereto as Exhibit You also much reimburse (when incurred) L5 Acceleration's actual out-of-pocket expenses from the engagement, including travel-related expenses, which are estimated to range from $0 (if not charged) to $2,250 (if charged), which you will approve in advance. This payment is not refundable.

Construction Visits

We reserve the right to conduct on-site inspections during the construction of your Shop as we deem appropriate. If we have to make more than one on-site inspections, we may require you to pay or reimburse us our out-of-pocket expenses that we incur in conducting such on-site inspections, including costs of transportation, lodging, and meals. These fees are non-refundable. We estimate that construction visit payments to us could range from $500 to $1,500 per visit.

Pre-Opening Esthetician Training Expenses

You will pay us for pre-opening training for between 12 to 20 estheticians in the six weeks before you open your Shop. These costs include wages for estheticians, rent for the Premises, and miscellaneous expenses for training. Each esthetician should accrue between 40-60 hours (depending upon their experience) of training before they are released to perform services for customers.

Initial Inventory

Before you open your Shop, you must purchase from our affiliate an initial opening inventory of skin care products and tools used to provide Shop services and retail sales. The total costs for the initial opening inventory for one Shop may range from $35,000 to $50,000 depending on your projected needs. The purchase price for these items is non-refundable.

Development Rights Agreement

We may also enter into a development agreement ("Development Rights Agreement") granting you the right to develop, open and operate an agreed upon number of Heyday Shops in a defined geographic area referred to as the "Development Area" on or before the Development Deadlines included in the Development Rights Agreement. You are not obligated to sign a Development Agreement. If we enter into a Development Agreement, you and we will agree to a Development Schedule. We require you to sign a Franchise Agreement at the same time you sign a Development Rights Agreement. that outlines the dates by which each of those additional Shops must be opened. (See Exhibit D). If you sign a Development Agreement, you will be required to sign the Franchisor's then current form of Franchise Agreement when you sign subsequent franchise agreements pursuant to the Development Agreement.

If we offer you a Development Rights Agreement, you must pay us a lump sum development fee ("Development Fee") when you sign that Agreement. The Development Fee is 1/2 of the Initial Franchise Fee (currently $25,000) multiplied by the number of Heyday Shops that you agree to develop (with a maximum of five (5) Shops). We will insert the amount of this fee in the Development Rights Agreement before signing it. The range of Heyday Shops to be developed under a Development Rights Agreement is between 3 and 5 so the average fee to be paid upon execution of a Development Rights Agreement is between $75,000 and $125,000. The Development Fee is non-refundable, but we will apply $25,000 of the Development Fee toward the Initial Franchise Fee owed under each franchise agreement that the Development Rights Agreement covers.

ITEM 6 OTHER FEES

Column 1	**Column 2**		**Column 3**	Column 4
Type of Fee	**Amount**	**~~Payable to Whom~~**	**Due Date**	**Remarks**
Royalties	7% of Net Sales	~~Heyday~~	ACH collected on the 10th day of the following month	Payable to Heyday
Brand Fund Contribution	Up to 3% of Net Sales; we currently require you to contribute 2% of Net Sales to our Brand Fund	~~Heyday~~	ACH collected on the 10th day of the following month	Payable to Heyday
Local Marketing Requirement	Ranges from 1% to 3% of Shop's projected Net Sales depending upon the Shop's Total Capacity Utilization during the immediately preceding 12 months (described in Item 11)	~~Heyday or approved third party vendors~~	Must be spent annually after the first year's anniversary depending upon the Shop's Total Capacity Utilization. We may require you to spend a substantial portion, or even all, of the Local Marketing Requirement during a specific, limited timeframe during the year.	Payable to Heyday or approved third party vendors
Digital Marketing Program	Commencing in the fourth (4) month after opening you are required to spend $3,000 per month. After the one year anniversary, you will spend $1,500 per month; may be increased upon written notice to you	~~Heyday or approved third party vendors~~	This is paid to either Heyday or our Approved Supplier of digital marketing management services as we determine appropriate and in accordance with our current System practices, standards and specifications.	Payable to Heyday or approved third party vendors
Reservation License Fee	$600 (currently); May be increased to an amount not to exceed two	~~Heyday or our designated third party~~	Quarterly. We may increase the Reservation License Fee upon 30 days written notice.	Payable to Heyday or our designated third party

Column 1	Column 2		Column 3	Column 4
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	**Remarks**
	percent (2%) of Net Sales if we create a proprietary software platform.	~~vendor (currently Boulevard)~~		vendor (currently Boulevard). We may, in the future, create a Proprietary Software platform to that you are required to use at your Shop. If we create this platform, we will collect up to 2% of your weekly Net Sales in exchange for your right to utilize the platform in lieu of the flat Reservation License Fee. This percentage fee would replace your Reservation License Fee and some or all of your Technology Fee.
Technology Fee	$800 (currently). May be increased, in combination with the Reservation License Fee, to an amount not to exceed 2% of your Net Sales if we create a proprietary software platform.	~~Heyday~~	We will collect a monthly 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. As of the Issuance Date, the Technology Fee covers ongoing licensing associated with internal/external communications, learning	Payable to Heyday. We may, in the future, create a Proprietary Software platform to that you are required to use at your Shop. If we create this platform, we will collect up to 2% of

Column 1	Column 2		Column 3	Column 4
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	**Remarks**
			management platforms, recruiting platforms, operational data analytics, ~~and~~customer data management and input/storage. We may increase the Technology Fee upon 30 days written notice.	your weekly Net Sales in exchange for your right to utilize the platform in lieu of the flat Reservation License Fee. This percentage fee would replace your Reservation License Fee and some or all of your Technology Fee.
Music License Fee	$225	~~Annually~~	Our required music provider charges an annual fee to cover updates of playlist and payment of ASCAP license fees. This fee may be increased upon written notice from our required music provider.	Payable to Heyday or our designated third party vendor Annually
Credit Card Processing Fee	3% of Credit Card Sales + $.30 per transaction	Based on Credit Card Sales	We will calculate and retain the Credit Card Processing Fees prior to our payment to you of the Franchisee Share	~~Based on Credit Card Sales~~
Co-op Contribution	If a Cooperative is established and involves your Franchised Business, then your contribution to such a Cooperative will not exceed your then-current Local Advertising Requirement. We may also use your	~~As incurred~~	Payable to us if we assign your Franchised Business to an Advertising Cooperative. 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 Shop in your Cooperative, then our Affiliate will be able to vote on all matters that you	Payable to Heyday as incurred

Column 1	Column 2		Column 3	Column 4
Type of Fee	Amount	~~Payable to Whom~~	Due Date	Remarks
	Monthly Digital Marketing Spend to assist with local market advertising.		and the other Cooperative members have the right to vote on.	
Client Service Support ("CSC") Team	TBD	~~Monthly~~	We do not currently have a CSC Team but reserve the right to create one in the future. If we create a CSC Team, it will provide call center and related communication services to the Shops. If and when a CSC Team is created, each franchisee will be obligated to pay a pro rata share of the costs associated with the CSC Team. We may, directly or through a designated source (including an affiliate), develop, implement, operate, maintain, and improve a client services center for the benefit of all Heyday Shops and which all Heyday Shops must use. The CSC will perform various services for Heyday Shops and their clients, including outbound sales calls, scheduling facial appointments, resolving membership questions, handling customer inquiries, helping resolve client complaints and concerns, and maintaining a client database that provides management reports to franchisees.	Payable to Heyday Monthly
Additional On-Going Training	Our then-current fee, currently $300 per day per individual	~~Before Assistance~~	We will provide five days of initial Shop opening assistance to you at no additional charge. If we deem it necessary to	Payable to Heyday before assistance

Column 1	Column 2		Column 3	Column 4
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	**Remarks**
	providing assistance, plus reimbursement of travel, lodging and dining costs.		provide additional opening or ongoing assistance, you must pay our then-current fee and expenses, for an additional five days of training.	
Conference Registration Fee	Our then-current registration fee that we charge in connection with any conferences we determine to conduct. Currently, we expect our conference registration fee to be $1,000 to $2,000	~~As incurred~~	We may schedule and hold conferences and require that you attend such conferences (along with appropriate team members). If you do not attend the required conference, we reserve the right to charge you a non-attendance fee amounting to the then-current registration fee. You will be responsible for the costs and expenses you incur in connection with any conference and we reserve the right to charge you our then-current registration fee.	Payable to Heyday as incurred
Transfer Fee	50% of our then-current initial franchise fee if transferring to an existing Heyday franchisee; 75% of our then-current initial franchise fee, if transferring to a new franchisee entering the system		~~Before~~Payable to Heyday Payable to Heyday before transfer	
Renewal Fee	the greater of 25% of the then current initial franchise fee or $12,500		~~Before~~Payable to Heyday before renewal	

<u>Column 1</u>	<u>Column 2</u>		<u>Column 3</u>	<u>Column 4</u>
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	<u>**Remarks**</u>
Relocation Costs	Reimbursement of our actual expenses	~~Upon demand~~	If we approved relocation of the Shop, you must reimburse us for out-of-pocket costs incurred in connection with the relocation, including travel for site visits and $100 per hour for any marketing assistance provided by us specific to advertising and marketing your new Shop location.	<u>Payable to Heyday upon demand</u>
Supplier Approval Fee	Actual cost of any inspection, testing and evaluation that we conduct in connection with your proposed alternative supplier or products not to exceed $5,000	~~Upon demand~~	You may recommend suppliers to us; however you must pay our reasonable costs and expenses related to the inspection and evaluations of the proposed supplier.	<u>Payable to Heyday upon demand</u>
Interest/Late Charges	A rate of 18% per year or the highest amount allowed by law, whichever is less	~~Upon demand~~	Payable only if any sums due us are not paid promptly when due.	<u>Payable to Heyday upon demand</u>
Charge for Nonpayment Due to "Insufficient Funds"	$100 plus reimbursement of our costs and expenses from your non-payment.	~~Upon demand~~	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or otherwise.	<u>Payable to Heyday upon demand</u>
Audit Costs	Amount disclosed in the audit, plus our costs to conduct the audit		If an audit discloses an underpayment of the Royalty Fee due to us of 5% or more, you must pay the amount in error plus our costs and expenses for the audit.	
Costs and Attorney's Fees	Actual fees incurred	~~Payable as incurred~~	You must reimburse us for our expenses in enforcing or terminating the Agreements.	<u>Payable to Heyday as incurred</u>
Replacement Training for Manager or Shop Educator	$3,000 per training session	~~Upon demand~~	We will train your initial Shop Educator and Manager during your initial training, but if you need to hire a new Shop Educator or Manager we may require you to send them to	<u>Payable to Heyday upon demand</u>

Column 1	Column 2		Column 3	Column 4
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	**Remarks**
			our replacement training and you will pay us a fee to train the replacement.	
Continuing Education Requirements	Reasonable tuition, conference, or material costs	~~Upon demand~~	Each of your estheticians who provide facial care must comply with any continuing education requirements.	Payable to Heyday upon demand
Indemnification	Amount of loss suffered	~~Upon demand~~	You must reimburse and pay our attorneys' fees and related costs if we are held liable for claims from your operation of the Shop.	Payable to Heyday upon demand
Quality Assurance or Mystery Shops	Up to $250 per occurrence	~~Upon demand~~	We may participate in a third party quality assurance program that provides mystery shops undertaken at your location.	Payable to Heyday upon demand
Management Fee	Up to 10% of the Net Sales of your business during the period of time we or our representative manages your business on your behalf plus costs and expenses we incur.	~~Upon demand~~	The Management Fee will be due to us if (1) you are in default under your Franchise Agreement or become disable (and unable to perform as the "Franchisee" under your Franchise Agreement), and (2) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchise Business back into compliance with the Franchise Agreement and System Standards	Payable to Heyday upon demand
Resale Program Fee	Commission of 4.5% of the sale price if your Heyday Shop sells as a result of our introduction of a qualified buyer to you.	~~Prior to transfer~~	If you want to sell your Heyday Shop and we introduce a qualified Buyer to you. This is a voluntary program.	Prior to transfer
Insurance	Amount of insurance premium plus administrative fee	~~Upon demand~~	Payable only if you fail to maintain minimum insurance coverage.	Payable to Heyday upon demand

Column 1	Column 2		Column 3	Column 4
Type of Fee	**Amount**	~~**Payable to Whom**~~	**Due Date**	**Remarks**
	equal to 20% of insurance premium			

NOTES:

(1) All fees are payable to us and are uniformly imposed and non-refundable.

(2) "Net Sales" means the aggregate of (1) all revenue from the sale of products and services, gift certificates and, memberships, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a Heyday Shop, (2) all monies, trade value (including the value of goods or services received from a barter exchange) or other things of value that you receive from Shop operations at, in, or from the Shop premises that are not expressly excluded from Net Sales, and (3) business interruption insurance proceeds. Net Sales does not include (1) monies received directly by your estheticians in the form of tips or gratuities, (2) the exchange of merchandise between Heyday Shops (if you operate multiple Shops) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Shop premises, (3) returns to shippers, vendors, or manufacturers, (4) the sale of gift certificates and stored value cards (the redemption value will be included in Net Sales at the time of redemption or on the date that we specify in the Operations Manual or otherwise in writing after the gift certificate or stored value card is purchased), (5) sales of fixtures or furniture after being used in the conduct of the Franchised Business, (6) cash or credit refunds for transactions included within Net Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you), (7) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority by you Customer refunds may be deducted from Net Sales if the charge was previously included in Net Sales.

(3) Beginning on the one-year anniversary of your shop opening, you must spend from 1% to 3% of the Shop's projected annual Net Sales on Marketing Materials (defined as advertising, marketing, and promotional formats and materials) and advertising, marketing, and promotional programs for the Shop (the "Local Marketing Requirement"), depending on the Shop's "Total Capacity Utilization" during the immediately-preceding 12 months. We do not count money spent on the Grand Opening Plan or Brand Fund contributions toward the Local Marketing Requirement. We may review your books and records and have you send us reports to determine your advertising, marketing, and promotion expenses. If you fail to spend (or prove that you spent) the Local Marketing Requirement, we may require you to contribute the shortfall to the Brand Fund.

ITEM 7 ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Initial Franchise Fee[1]	$50,000	$50,000	Lump Sum	On signing of Franchise Agreement	Heyday
Grand Opening Plan[2]	$30,000	$50,000	As arranged	As incurred	Approved suppliers
Travel and Living Expenses While Training[3]	$3,000	$6,000	As arranged	As incurred	Third parties
Leasehold Improvements[4]	~~$287,000~~ $251,000	~~$334,000~~ $316,750	As arranged	As required	Contractors and third party suppliers
Real Estate & Construction Management Services[5]	$53,000	$55,250	Lump Sum	On signing of Franchise Agreement	Our designated supplier of these services, currently L5 Acceleration Services, LLC
Architect/Engineer/ Permits and Licenses	~~$30,000~~ $15,000	~~$45,000~~ $20,000	As arranged	As required	Third party architects, engineers, and governmental agencies
Legal/ Professional Fees[~~5~~6]	$1,000	$3,000 ~~$6,000~~	As arranged	As required	Your attorneys, accountants, and other professionals
Prepaid Rent, Security and other Deposits[~~6~~7]	$3,000	$10,000	Per lease agreement	Per lease agreement	Your landlord
Initial Liability Insurance and Workers' Compensation Deposit[~~7~~8]	$500	$1,000	As arranged	As required by applicable policy	Your insurance broker and/or insurance company
Exterior Signage[~~8~~9]	$6,000	~~$30,000~~ $20,000	As arranged	As incurred	Third party supplier(s)
Furniture, Technology Hardware, Fixtures, and Equipment[~~9~~10]	$90,000	$110,000	As arranged	As incurred	Heyday and third party suppliers
Pre-Opening Esthetician Training[~~10~~11]	$6,000	$12,000	Lump Sum	Prior to training	Heyday
Business Licenses and Permits	$500	$1,500	As arranged	As required	Governmental agencies
Initial Inventory and Supplies not otherwise noted[~~11~~12]	$35,000	$50,000	As arranged	Eight weeks prior to opening	Heyday

Additional Funds (Initial 3-6 Month Period)(~~12~~13)	$30,000	$50,000	As arranged	As incurred	Various
Total	**$574,000**	**$755,500**			

NOTES:

(1) See Item 5 for more information about the Initial Franchise Fee.

(2) Beginning two months prior and continuing through the first month after the opening of your Shop, you shall invest in grand opening promotions. The marketing investment includes a digital marketing plan that will cost between $25,000-$40,000. The digital plan will be created sixteen weeks prior to your opening and will commence twelve weeks prior to your opening. Other grand opening costs will include the costs for a local public relations firm, gratis services, billboard/signage advertising, magazine or newspaper advertising, free services, esthetician recruitment costs, and strategic partnerships.

(3) See Item 11 for more information about our initial training program and training requirements. The low figure includes the cost of one moderately priced, double-occupancy hotel room for 14 days and travel costs between the hotel and training site for two individuals and one moderately priced hotel room for 7 days and travel costs for your proposed Shop educator. The high figure includes the cost of three moderately priced, double occupancy hotel rooms for 14 days, airfare and travel costs between the hotel and training site for three individuals and one moderately priced hotel room for 7 days and travel costs for your proposed Shop educator.

(4) This estimate is based on the assumption that your Shop will be approximately 1,400 to 2,200 square feet with a net contribution of leasehold improvements from your Landlord of an average of $30 per square foot. Construction and remodeling costs vary widely, depending upon the location, design, configuration and condition of the premises, the condition and configuration of existing services, and facilities such as air conditioning, electrical and plumbing, and the terms of your lease. In certain major metropolitan markets such as San Francisco, Los Angeles, Seattle, Chicago, Washington, D.C. costs could be significantly higher than the estimates provided here due to local market rates for materials and labor. The figures in the chart include a general contractor's fee (generally equal to 10% to 15% of total construction costs), millwork costs and installation, contractor's insurance, materials and supplies, tools, labor and subcontractor fees, and other costs to construct leasehold improvements conforming to our standards, and includes the estimated costs of fixtures and incorporating interior design elements.

Landlords routinely provide tenant improvement contributions to prospective tenants to assist in the build out of Heyday Shops. That being said, it is possible that your landlord will not make a tenant improvement contribution for leasehold improvements. It is also possible that your landlord will make a larger tenant improvement contribution then the $30 per square foot contribution included in this estimate. Additionally, your landlord may require you to provide proof that you have paid for the leasehold improvements before reimbursing you the money. As a result, your actual out-of-pocket costs and the costs of any construction financing that you may need to obtain may be significantly higher than the net leasehold improvements costs presented in this table.

(5) You must hire (and contract directly with) our designated Real Estate and Construction Manager, L5 Acceleration to oversee the shop's site selection process, negotiations, construction and development. You will pay L5 Acceleration an $53,000 real estate and construction management services fee at the same time that you sign the Franchise Agreement. The real estate and construction management services fee includes the cost of project management, site selection, market analysis, lease negotiation, and other real estate related services it will provide to you. You must also reimburse L5 for its actual out-of-pocket expenses from the engagement, which

you will approve in advance.

(6) ~~(5)~~ These figures represent the estimated cost of hiring an attorney to assist you in evaluating the franchise opportunity, negotiating your lease, and in forming a business entity, and accountants' cost of setting up a new business.

(7) ~~(6)~~ These figures represent a lease security deposit equal to two months' rent in a typical market and utility security deposit equal to one month's utility charges. Although figures in the chart equal two months' rent, some landlords may require a security deposit equal to six months' rent in exchange for waiving the personal guaranty requirement.

(8) ~~(7)~~ See Item 8 for more information about your minimum insurance requirements. The low estimate accounts for the first semi-annual premium and the high estimate for the annual premium for the business policy and a three-month allocation for the workmen's compensation premium.

(9) ~~(8)~~ The figures include the potential for multiple exterior signage, a construction barricade sign (or blackouts), awning, interior signage and window graphics/decals.

(10) ~~(9)~~ These figures include the cost to purchase required facial chairs, facial equipment and tools, towels, guest furniture, industrial-grade washer & dryer machines, required design elements for your Shop, laptops, iMac computers, IPads, cameras, printer, router, Wi-Fi, speakers, low voltage cabling, and costs of installation and wiring.

(11) ~~(10)~~ You will incur costs related to pre-opening training for between 12 to 20 estheticians in the six weeks before you open your Shop. These costs include wages for estheticians, rent for the Premises, and miscellaneous expenses for training. Each esthetician should accrue, on average, between 40-60 hours (depending upon their experience) of training before they are released to perform services for customers.

(12) ~~(11)~~ Includes the cost of all required products for retail sale and back bar items used in the course of facial services.

(13) ~~(12)~~ These estimates do not include managerial salaries or any payment to you. These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed. ~~These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months. However, we cannot guarantee that those amounts will be sufficient.~~ Additional working capital may be required if sales are low or fixed costs are high. We relied on our affiliate's operating experience in opening 11 Shops over the past six years in compiling these working capital estimates.

(14) Neither we nor any of our affiliates offer direct or indirect financing. Neither we nor any of our affiliates will guarantee your lease, note, or other obligations. See Item 10 for more details.

(15) ~~(13)~~ All amounts are non-refundable unless otherwise noted.

DEVELOPMENT RIGHTS AGREEMENT
YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment(1)	Column 4 When Due	Column 5 To Whom Payment Is To Be Made
Development Fee	$75,000-$125,000	Lump Sum	On signing of Development Agreement	Heyday

(1) We will only enter into a Development Agreement with you if you have already entered into a Franchise Agreement with us. Therefore, the initial investment that you will incur is in addition to the initial investment paid in connection with your first Heyday Shop.

(2) The Development Fee is paid if and only if you execute a Development Agreement with us. In the Development Agreement, Franchisee agrees to open and operate additional Heyday Shops within the Development Area in compliance with the Development Schedule (See Exhibit K) in exchange for the payment of a development fee (the "Development Fee"). The Initial Franchise Fee is $50,000 for each additional Heyday Shop opened under the Development Agreement. The Development Fee is equal to one half (1/2) of the Initial Franchise Fee for each Heyday Shop to be opened in the Development Area. You will pay us the remaining one half (1/2) of the Initial Franchise Fee with respect to each additional Heyday Shop when you sign the Franchise Agreement for each subsequent Heyday Shop.
(3) The remainder of the Initial Franchise Fee with respect to each Heyday Shop authorized by the Development Agreement will be paid when you sign a Franchise Agreement for that location.
(4) You may execute a Development Agreement at the same time that you execute a Franchise Agreement. The minimum number of Heyday Shops that you must agree to open (in total) in connection with a Development Agreement is three (3). The amount specified above shows a range of Development Fees payable in connection with an agreement authorizing you to open between two (2) and (4) additional Heyday Shops. If you and we agree to grant you franchise and development rights in excess of four (4) Heyday Shops, the Development Fee may be greater than the estimated amount.
(5) **The Development Fee is non-refundable.**

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers, and Purchases According to Specifications

Since our trade dress is a unique aspect to our brand, you must use our designated architect, millwork provider, and lighting supplier to design and construct certain aspects of your Shop.

You must purchase the computer hardware and subscribe to a software booking system from our approved suppliers. See Item 11 for more information about computer hardware and software requirements.

You must use L5 Acceleration, our designated provider of real estate, project management and construction services. You will pay this designated provider a management fee that is due and payable pursuant to a separate contract with this provider that will be signed at the same time that you sign the Franchise Agreement. L5 Acceleration Services, LLC, is an affiliate of one of our owners Level 5 Capital Partners.

You must use our designated vendor and clearinghouse for your music system and music library and purchase equipment necessary to play our curated music playlist in our Shops. You must pay your pro rata share of music licensing fees we may pay to show media in our Shops.

We, and our affiliates, may produce, market, and sell proprietary and/or logoed skincare products ("Private Label Products"). If we produce Private Label Products, we or our affiliates will be the Designated Supplier that you must use and resell to your customers. No franchisor officer currently owns and interest in any supplier although our affiliates may become suppliers in the future.

We also may establish designated or approved suppliers (which may be affiliated with us) for (1) Shop fixtures, furniture, equipment, items of decor, (2) graphic design services, (3) advertising, point-of-purchase materials and other' printed promotional materials, (4) gift certificates and stored value cards, (5) stationery, business cards, contracts, and forms, and (6) bags, packaging, and supplies bearing our Marks, (7) uniforms, or (8) public relations and advertising services.

If you propose to purchase any items or service for which we have identified designated or approved supplier(s) from an unapproved source, you must obtain our approval. The purpose of these requirements is to establish quality control standards for the items used in the operation of your Shop and to protect, maintain and promote the product consistency, reputation, goodwill and public acceptance of our service marks, trademarks and products. We may require, as a condition of granting approval that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably require be delivered to us or to an independent, certified laboratory for testing. We may charge a fee for testing, which will not exceed the reasonable cost of the inspection and the actual cost of the test. We will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. If we agree to evaluate a supplier, we will provide you or the supplier with our specifications and standards and our criteria for supplier approval. We may, at any time, upon written notice to you revoke our approval of an Approved Supplier. We may revoke such approval for any reason including a decision to consolidate purchases with one or more suppliers and/or an Approved Supplier's failure to maintain quality standards that are consistent with our requirements.

Shop Location and Lease

We have engaged a ~~national tenant broker to provide advisory and site selection~~provider of real estate, project management and construction services to assist ~~us with the expansion plans~~you in selecting a location for your Heyday~~'s Operating Affiliate Shops. The tenant representative~~ Shop, constructing your Heyday Shop, and assisting you in the development and opening of your Heyday Shop. You will pay this designated provider a management fee that is due and payable pursuant to a separate contract with this provider that will be signed at the same time that you sign the Franchise Agreement. This company provides advisory services whereby they analyze past and current sales of all Heyday locations, store size, co-tenancy, demographics, psychographics, and competition. As a result of this analysis they have identified possible factors to help us locate future sites. ~~We recommend that you utilize the services of this tenant representative to help you identify sites and assist you in the negotiations of the letter of intent. It is anticipated that the landlord will pay our tenant representative a brokerage commission for the services they provide to you. On the rare occasion that a landlord will not pay a commission, you will be obligated to pay the tenant broker $15,000 as a success fee for the signing of the lease. If you do not use our designated national tenant broker, we will still provide you with certain site selection assistance as we deem appropriate and also visit your market to review your proposed site for your Shop at no extra cost. If we need to visit additional sites for Shops beyond the 1 visit, then you must pay us for our site selection assistance at an hourly rate of $300~~You will pay this company a management fee of $53,000 that is due and ~~also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker. We estimate the site assistance payments per additional visit would be less than $5,000 (including $1,500 to $2,000 to be retained to us). These site assistance expenses are separate from, and in addition to, the other fees and amounts~~payable at the same time that you ~~will pay under~~sign the Franchise Agreement~~. If you occupy~~ and pay the ~~Shop according to a commercial lease, the lease must contain terms that we specify (See Lease Addendum attached as Attachment F to the~~Initial Franchise ~~Agreement)~~Fee.

We have a designated architect to provide architectural services to our franchisees. You must use our designated architect for your Shop, and must separately contract with our designated architect. We estimate your costs for using our designated architect will range from $~~20,000~~30,000 to $~~40,000~~45,000. Services provided will be general architecture services, including space planning, interior design, and architectural design.

We expect you will manage the construction process for your Shop, but we may provide recommendations on third party project management from time to time. We anticipate costs to engage a third party project management company could range from $10,000 to $15,000.

You must construct, equip, and improve the Shop in compliance with our current design standards and trade dress. We, or our designee, will give you mandatory and suggested specifications and layouts for your Shop, including requirements for dimensions, designs, images, interior layout, decor, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for the Shop and make sure they comply with applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final plans and specifications before you begin constructing the Shop and all revised or "as built" plans and specifications during construction. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment (including a point-of-sale, cash register system), decor, and signs from our approved third party suppliers.

the development and operation of your Heyday Shop. The fees payable to these designated technology service providers varies.
We have contracted with a music company to run music programing in our Shops and you must purchase equipment and subscribe to their license agreements to run such music programing in your Shop as we direct from time to time.

We ~~estimate that approximately 90% to 95% of your total cost in establishing the Shop will go toward purchasing products that meet our specification. We estimate that approximately 85% to 95% of your expenditures on an ongoing basis will be for goods that must be purchased from Heyday Products. We estimate that substantially all of your expenditures for leases and purchases in establishing your Franchised Business and approximately 10% to 20% of your total annual operating expenses on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications)~~are currently the only approved supplier of skincare products for Heyday Shops. You are required to purchase all skincare products (both retail and backbar items) from us. In an effort to maintain brand and product consistency, we purchase approved products from approved vendors and, in turn, sell them to you. We may derive revenue from our sale of these products to you.

Payment Systems

You are required to accept all approved digital payment systems, debit and credit cards, gift cards, loyalty cards, frequency cards, and any other similar Franchisor sponsored electronic card and/or payment programs (collectively "Payment Systems") from consumers at your Heyday Shop. Prior to the opening of your Shop, you will be required to acquire an approved debit, credit, and Payment System processing system to use during the operation of your Heyday Shop. The components and specifications of the Payment Systems are identified in the Manual, including approved vendor(s) for such items. Additionally, you must utilize Franchisor's designated third party payment card processor, as identified in the Manual, for processing all such debit, credit, rewards, and Payment System transactions.

You are required to honor any gift cards for payment of services at your Shop, even if the card was purchased at another Shop. We will set forth our then-current System policies and practices regarding the allocation of the funds generated from the sale and redemption of gift cards and memberships that involve different Shop in our Manuals or otherwise set forth in writing.

Membership Model Policies

You must also offer and participate in the membership programs and services that we offer or authorize. You are required to honor memberships purchased at different Shops.

Customer Service Policies

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

Revenue Derived from Franchisee Purchases and Leases

We currently purchase skincare products (both retail and backbar items) and sell them to franchisees. You are obligated to purchase these products directly from us. We anticipate developing Heyday branded products. You will be obligated to purchase such products from us and/or our affiliates if and when we offer such products for sale. We, or our affiliates, may receive other types of revenues, material benefits, and other consideration from your purchase of products and services we require to operate your franchised Shop.

Purchasing Arrangements; Description of Purchasing Cooperatives

We may contract with manufacturers and suppliers who provide volume discounts, rebates and other cash payments based on volume purchases of supplies, products and other items based on purchases by franchised and company- affiliated Shops. The rebates and/or allowances we receive are generally based upon a percentage of franchisee purchases. We may use the rebates and allowances received for our general operating purposes although we currently anticipate that all or some portion of such discounts, rebates, or other cash payments received by us as a direct result of your Shop will be provided to you or utilized in support of the Brand Fund. In 2020, Franchisor received total rebates and/or allowances of $0 during 2020, which represents 0% of our total revenue of $0. In all cases, we will deduct our expense to coordinate and test supplies, products or other items and supplies.

We may negotiate purchase arrangements with primary suppliers for the benefit of franchisees. If we negotiate a purchase agreement for the region where your Shop is located, you must participate in the purchasing program. Presently there are no purchasing or distribution cooperatives in existence for the franchise system.

We do not provide material benefits to you (for example, renewal or granting additional franchises).

You can expect that the items you will purchase in accordance with our specifications will represent 35%-45% of the total purchases you will make to begin operations and 35%-45% of your annual operating expenses for raw materials, products, and supplies.

We estimate your purchases from us will be between 20% and 30% of your total annual purchases. We may negotiate special pricing arrangements or discounts with some of our suppliers. The arrangements may include special contract pricing, volume discounts, and specific discounts from regular wholesale prices.

Franchisor provides all specifications and standards to franchisees in the Manual. We may modify the specifications and standards from time to time by providing franchisees with modification or supplemental inserts to the Manual, by providing notices or bulletins, or by amending the Manual. The Manual is part of your Franchise Agreement with us.

~~We may vary the terms of our franchises in connection with testing new marketing, branding, research, and development of new menu offerings, and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. We reserve the right to sell some of the products associated with the Heyday brand to different retail outlets such as department stores, online retailers, and big box stores.~~

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

a.	Site selection and acquisition/lease	5	Item 8 and Item 11
b.	Pre-opening purchases/leases	6, 12(A)(4), 12(B)	Item 5, Item 7, Item 8 and Item 11
c.	Site development and other pre-opening requirements	6, 9(A)	Item 7, Item 8 and Item 11
d.	Initial and ongoing training	11	Item 6 and Item 11
e.	Opening	6(B)	Item 11
f.	Fees	7	Item 5, Item 6, Item 7, Item 8 and Item 11
g.	Compliance with standards and policies/Operating Manual	10, 12	Item 8, Item 11, Item 14 and Item 16
h.	Trademarks and proprietary information	13	Item 11, Item 13 and Item 14
i.	Restrictions on products/services offered	12(A)(4)	Item 8 and Item 16
j.	Warranty and customer service requirements	9(H), 12(E)	Not applicable
k.	Territorial development and sales quotas	See Development	Item 12

	Agreement	
l. Ongoing product/service purchases	12(A)(4)	Item 8
m. Maintenance, appearance and remodeling requirements	12(D)	Item 7, Item 8 and Item 11
n. Insurance	12(G)	Item 7 and Item 8
o. Advertising	9	Item 6 and Item 11
p. Indemnification	23	Item 6 and Item 12
q. Owner's participation/management/staffing	12(F), 14(D)	Item 15
r. Records and reports	8	Item 6
s. Inspections and audits	8(D), 12(I)	Item 6 and Item 11
t. Transfer	15, 16	Item 6 and Item 17
u. Renewal	4(B)	Item 17
v. Post-termination obligations	20	Item 6 and Item 17
w. Non-competition covenants	18	Item 17
x. Dispute resolution	27	Item 17

ITEM 10 FINANCING

Neither we nor any of our affiliates offer direct or indirect financing. Neither we nor any of our affiliates will guarantee your lease, note, or other obligations.

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

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

Pre-opening Obligations

Before you open the Shop for business:

1. We will grant you a Site Selection Area or a Protected Area in which you may locate your Shop, and we will approve or refuse to approve the specific Shop site within 30 days of receiving all requested information~~. Before you select a site for~~ subject to reasonable conditions as we determine in our sole discretion. The selection of a site by Franchisee 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 Franchisee. We do not generally own the premises where your Shop~~, if~~ will be located and you ~~use our designated national tenant broker, we will provide you with certain site selection assistance as we deem appropriate~~will enter into a lease agreement with a third party property owner. If we need to visit additional sites for Shops beyond one visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker (Franchise Agreement, Section 5(A)).

2. We will assist you in selecting and purchasing signage, opening inventory, and supplies for your Heyday Shop. We will provide you a list that describes or shows the standards for the fixtures and equipment that you must install in your Shop as well as specifications for such items. We do not provide fixtures or equipment directly, nor do we deliver or install any fixture or equipment in your Shop, but we do require you to contract with a third party vendor who provides you with and installs fixtures and equipment for your Shop. (Franchise Agreement, Section 6(A)(1))

3. We will ~~provide~~assist L5 Acceleration Services, the designated architect and your general contractor information about the sequence of events and procedures that must be followed in

building out and equipping a Shop. (Franchise Agreement, Section 6(A)(2)). (1). We will provide to you mandatory and suggested specifications and layouts for a Heyday Shop, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We may also provide you with suggested architectural drawings. You acknowledge that the layouts and drawings are proprietary to us. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. We do not confirm that the provided requirements will comply with local building codes or ordinances. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

4. We reserve the right to conduct on-site inspections during the construction of your Shop as we deem appropriate, and we reserve the right to require you to pay or reimburse us our out-of-pocket expenses that we incur in conducting such on-site inspections, including costs of transportation, lodging, and meals. (Franchise Agreement, Section 12(I))

5. We will provide our Initial Training Program to up to two (2) individuals. The Initial Training Program will be provided at our corporate headquarters in New York, New York, a designated facility, or at the location of your Heyday Shop (Franchise Agreement, Section 11(A)).

6. We will provide the Shop Educator Training to your initial Shop Educator. Your Shop Educator will, in turn, provide training to your estheticians. (Franchise Agreement, Section 11(E)).

7. We will provide you access to our Standard Operations Procedures Library ("Manual"). (Franchise Agreement, Section 10(A)). Our Manual contains 136 separate categories of documents and 29 videos regarding the operation of Heyday Shops. The list of types of documents and videos currently available to franchisees is attached to this disclosure document as Exhibit A.

Continuing Obligations

During the operation of the Franchised Business:

1. We will loan you (or otherwise make available to you) one copy of our Manual, as amended from time to time (Franchise Agreement, Section 10). We may update the Manual from time to time and you will be obligated to comply with the most current copy of the Manual.

2. We may provide training courses at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify including franchise meetings (Franchise Agreement, Section 11(D)).

3. We may develop certain proprietary or branded products that will be prepared by or for us or our affiliates according to our proprietary designs (collectively "Proprietary Products"). We also have developed standards and specifications for other products, materials and supplies incorporated or used in providing services and the packaging and delivery of products authorized for sale at Heyday Shops (Section 12(A)(4)).

4. We will provide ongoing advice and consultation to you regarding the operation of your Heyday Shop through the Manual, bulletins or other written materials, electronic media, telephone, and in person. (Franchise Agreement, Section11(F))

5. We may conduct reasonable inspections of your operations, marketing, safety systems and programs, financial systems, maintenance and necessary repairs of your Heyday Shop. (Franchise Agreement, Section 12(I)).

6. We will communicate information about our Approved Suppliers and Designated Suppliers to you. (Franchise, Agreement, Section 12(A)(4)).

7. We will administer the Brand Fund and Digital Marketing Program, and allocate funds for authorized purposes. (Franchise Agreement, Sections 9(C) and 9(E)).

Grand Opening Plan

Before the Shop opens for business, we will agree on a budget (ranging from $30,000 to $50,000) and a marketing/public relations plan for your grand opening, including advertising (digital, print or news media), direct mail, or other promotional efforts. We will require you to deposit with us the amount that we agree upon. We may require minimum financial commitments with respect to each type of marketing media. We will determine the budget amount that you will spend by assessing advertising costs in your area and taking into account the time of year that you are opening. We will provide you with guidance for marketing your grand opening, and we will create the materials to support all grand opening efforts. You must conduct the marketing and public relations campaign according to the marketing plan and budget and the System Standards, within 30 days prior to opening and 30 days after opening. As part of this campaign, you may be required to retain a public relations firm, which we must approve.

Brand Fund

We require you to contribute a percentage of your Net Sales (currently 2% and up to 3% of Net Sales) to a brand development fund ("Brand Fund") that we administer, as described below.

The Brand Fund is intended for the common benefit of the HEYDAY® system. We may use Brand Fund monies to pay for creative development services (including creation and modification of shop design and trade dress, products, services, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software); preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, conducting customer surveys, focus groups, and marketing and compliance-related mystery shops and customer interviews); employing advertising and/or public relations agencies, developing, producing, distributing, and placing advertising (including, but not limited to, preparing and conducting media advertising campaigns in various media, local store advertising and promotion in a particular area or market, or for the benefit of a particular Shop or Shops in connection with opening promotions or otherwise, conducting and administering in-store promotions, preparing and executing direct mail advertising, and developing, producing, and purchasing point-of-sale advertising, and other sales aids and promotional items and materials); new product or service development and development of product packaging, developing, updating, maintaining, and hosting our website (including development of locator programs) and/or an Intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, gift certificates, loyalty card, and stored value card programs, and customized promotions, and the cost of product or service associated with the redemption of free coupons, gift certificates, loyalty cards, stored value cards and/or other customized promotions; developing and administering membership programs and other customer loyalty programs; providing and procuring public relations services; conducting public relations activities; charitable donations; membership fees in international, national, regional, and/or local trade or other associations or organizations.

We also ~~may~~ use Brand Fund monies to enter into vendor agreements with national or regional advertising agencies, and/or to reimburse ourselves for our costs of personnel and other administrative and overhead costs associated with providing the services described in ~~this~~the preceding paragraph.

Although the Brand Fund will be intended to be perpetual, we may terminate the Brand Fund at any time. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to the contributors of the Brand Fund on the basis of their respective contributions. Any amounts paid to the Brand Fund that are not spent in the year they are collected will remain in the Brand Fund for future expenditures.

We will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with Brand Fund monies, and the allocations of Brand Fund monies to production, placement, and other costs. We may use the Brand Fund for national, regional or local advertising although we need not spend any Brand Fund monies for placement of advertising in your trade area, or to ensure that the Franchised Business benefits directly or pro rata from Brand Fund expenditures. We will not use Brand Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Brand Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Brand Fund monies may be used to create and maintain one or more pages on our web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates.

We establish and adjust the amount of Brand Fund contributions on an annual basis, and anticipate that all franchisees will contribute to the Brand Fund at the same rate. Neither we, nor our affiliates, are contractually required to contribute to the Brand Fund. There is no requirement that the Brand Fund be audited.

Upon your reasonable request, we will provide to you an annual unaudited statement of Brand Fund contributions and expenditures. We did not collect or expend any Brand Fund money during 2020.

You will be required to participate in all customer loyalty, customer feedback, or other promotional programs that we designate. We have sole discretion over any gift certificate, stored value card, loyalty card, voucher and/or customized promotional receipts programs for Heyday Shops. You will be required to participate in these programs and comply with any requirements we set for participation, including as to how we address the purchase and redemption of these cards among Shops for purposes of determining Net Sales at your Shop. You are required to follow all visual merchandise standards set forth by the brand, with no exceptions

Local Marketing Requirements.

After the first year anniversary of your Shop opening, you must spend the minimum amounts of your Shop's projected annual Net Sales that we specify, which will not exceed 3% of the Shop's projected annual Net Sales, on approved marketing materials and programs for the Shop. You must prepare, or collaborate with us to prepare, a written local marketing plan ("Marketing Plan") for the Local Marketing Requirement. (Franchise Agreement – Section 9(D)). We may require you to spend a substantial portion, or even most, of the Local Marketing Requirement during a specific, limited timeframe during the year (for example, over a number of weeks or a few months). We may determine which expenses count or do not count toward your Local Marketing Requirement. Generally, Brand Fund contributions, price discounts or reductions you provide as a promotion, permanent on-premises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), and employee incentive programs do not count towards the Local Marketing Requirement. If you do not spend (or prove that you spent) the Local Marketing Requirement, we may, among other rights, require you to contribute the shortfall to the Brand Fund. At our request, you must pay us the Local Marketing Requirement, which we will then spend for you in your market for the materials and activities described above.

You must comply with all requirements regarding the Marketing Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, participation in and use of approved on-line social media networks and tools, and compliance with all promotional recommendations and guidelines. Your Marketing Plan must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local marketing and promotional materials and you will be required to pay those third parties for their services without any offset to your required local marketing expenditures. You may not develop, maintain, or authorize any Website that mentions or describes you or your Heyday Shop or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

You may purchase local advertising and promotional materials for your Marketing Plan from us or any source approved by us. Periodically, we will provide you with samples of advertising, marketing, and promotional formats and materials at no cost. If you purchase these materials from us, in addition to paying the invoice cost of the materials, you must pay any related shipping, handling, and storage charges. If purchased from a source other than us or our affiliates, these materials must comply with federal and local laws and regulations and with the guidelines for advertising and promotion promulgated from time to time by us and must be submitted to us or our designee at least 10 days prior to first use for approval (except with respect to prices to be charged by you), which we may grant or withhold in our sole discretion. If we do not approve your submission within 10 days after the day we received the materials, we will be deemed to have not approved the materials.

The marketing activities in which you engage will materially affect your Shop's success or lack of success. The Local Marketing Requirement might be insufficient for you to achieve your business objectives. Subject to the minimums above, you are responsible to determine how much to spend on Marketing Materials and other approved advertising, marketing, and promotional programs for the Shop in order to achieve your business objectives. While we require to spend the minimums described above, you may spend more if necessary to achieve your business objectives.

~~You are restricted from establishing a presence on, or marketing using, the Internet.~~ We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You are not authorized to utilize other channels of distribution including catalog sales, telemarketing, or other direct marketing for any purpose except as approved by us and through our websites, domain names, applications, etc. All social media channels and review sites will be controlled by Heyday.

As of the Issuance Date, we require that you pay us the Digital Marketing Requirement of $3,000 per month, beginning in the fourth (4) month after your Heyday Shop opens. After the one (1) year anniversary of the opening of your Heyday Shop, you will pay us $1,500 per month for the Digital Marketing Requirement. We may thereafter increase the Digital Marketing Requirement upon written notice to you. We will charge an administrative fee of 6%-8% to manage and report the monthly performances of your digital marketing. Digital Marketing efforts will be isolated within your metropolitan statistical area. In the future, we reserve the right to require that the Digital Marketing Requirement funds be paid, in whole or in part, to any Approved Supplier that we designate.

If we believe that two or more Heyday Shops may benefit by pooling their advertising dollars, we may form or require you to form a local or regional advertising cooperative for this purpose. If an advertising cooperative is formed for the region in which your Shop is located, you must participate in the advertising cooperative. We have the exclusive right to create, dissolve, and merge advertising cooperatives, or require you and other franchisees to do so. We will also have the exclusive right to create and amend their governing documents, or require you to do so. No advertising cooperative has yet been created and, therefore, no governing documents are available for your review. Governing documents will provide that any advertising cooperative created under authority of the Franchise Agreement: (1) will operate by majority vote, with each Heyday Shop (including our company and affiliate-owned Shops) entitled to one vote; (2) entitle us to cast one vote (in addition to any votes we may cast on account of company-affiliated Shops), (3) permit the members of the advertising cooperative, by majority vote, to determine the amount of required contributions, and (4) provide that any funds left in the advertising cooperative at the time of its dissolution be returned to the members in proportion to their contributions during the 12-month period immediately preceding dissolution. Amounts you pay to an advertising cooperative will count toward the Local Marketing Requirement but not toward the Grand Opening Plan or Brand Fund contributions.

We may, in our sole discretion, elect to form an advertising council for the benefit of the franchise system. As of the date of this disclosure document, there is no advertising council in effect for the franchise system.

Computers, Point of Sale, Software, and Telephone Systems

You must acquire and use our required point of sale system and equipment ("Computer System"), and adhere to our requirements for use. Requirements may include, among other things, connection to remote servers, privacy/security hardware or software, off-site electronic repositories, and high-speed Internet connections. As technology or software is developed in the future, we may require you to add to your Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your Computer System and software. You must acquire, install and maintain all anti-virus and anti-spyware software, firewalls, security programs, and other security measures that we require, and must adopt and implement Internet user policies that we require to avoid, block and eliminate viruses and other conditions that interfere with operation of the Computer System.

You must purchase, license and use all designated and/or proprietary software programs, cloud managed networks, system documentation manuals, hardware, and other proprietary materials that we require, and input and maintain in your computer such data and information as we prescribe in the Manuals. You must purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all associated fees.

We estimate the cost of purchasing required computer hardware will range from $18,000 to $25,000. The initial installation of our third party scheduling and business management software is approximately $200. Thereafter, you must pay directly to Boulevard (or our any other software provider we designate) a monthly license fee. ~~Currently, the~~The required monthly license fee for Boulevard is approximately $200 per month (which may be adjusted annually). This is currently the only ongoing fee associated with the Computer System. If necessary, we may require you to pay additional maintenance, update, upgrade, or support fees in the future. There is no contractual limitation on the frequency and costs of your obligation to maintain, upgrade, and update the Computer System. Although we currently use the Boulevard system, we may change to an alternative provider or develop a proprietary system at any time upon written notice to you.

We will have the right to independently access all information and financial data recorded by the system ~~for~~. The system will generate and provide you and us with daily polling, audit and sales verification, and database development information. There are no contractual limitations to our right to access the information and data recorded by your system.

We will require you to install and maintain a hardware and software firewall device on your Computer System that follows closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the http://www.pcisecuritystandards.org.

Except as described above, neither we, our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your computer system or other computer equipment. Except as described above, there are currently no optional or required maintenance/upgrade contracts for your computer hardware or software.

You may order internet service from your local internet service provider (ISP). We require you to obtain internet service with download speed of 10mb and upload speed of 3mb.

Initial Training Program

We provide you an initial training program that covers material aspects of the operation of a franchised Heyday Shop. This initial training is in addition to the on-site opening assistance we provide to you. The topics covered are listed in the chart below. Currently, the initial training program will be provided on an as needed basis but we may, in the future, create scheduled dates for the initial training program.

The initial training program is offered in three phases. The initial online franchise training is made available within one (1) week of the signing of your agreement and is conducted online through personal video discussions or online recorded training sessions. The second phase is conducted at a corporate location in New York, New York, or Los Angeles, California within a reasonable time after you sign a Lease for your Shop, and generally no later than ten (10) weeks before the anticipated opening of your Heyday Shop. We will admit up to three (3) individuals to the second phase of our initial training program, including your Operating Partner. If you wish to have more than three people attend the second phase of our initial training program, you must pay the then current fee, which is currently $2,500 per person. Your Operating Partner must complete the second phase of our initial training program to our satisfaction. The second phase also includes additional online courses to be taken prior to, or in conjunction, with the training in our corporate Shop. The third and final phase is conducted in your Shop during the week prior to your opening where we will solidify the training that has been conducted in the first two phases.

Initial training will be conducted by or under the executive supervision of Marcy Mancina, Collin Russell, and Shea Amiruddin. Ms. Mancina is our Vice President of Operations and has two (2) years' experience with us and sixteen (16) years relevant experience. Mr. Russell is our Director of Talent and Culture. Mr. Russell has three (3) years' experience with us and five (5) years of relevant experience.

Ms. Amiruddin is our Director of Skincare Education. Mrs. Amiruddin has two (2) years' experience with us and nine (9) years of relevant experience. Each of our current training staff have no less than two (2) years' experience with us.

Any replacement Operating Partner must satisfactorily complete our then-current initial training program. We also may provide, and may require your Operating Partner to attend and successfully complete each year, up to four days of additional training. This additional training may be held at our headquarters or other place that we designate. It may include remedial and refresher courses, as well as instruction in new skincare techniques, business and management processes and techniques, and our System Standards and policies. We may charge a reasonable fee or tuition for this additional training and you are responsible for all training-related expenses, including travel, lodging, and dining expenses for these individuals and wages and salaries payable during training. Although only your Operating Partner is required to attend and complete such additional training, we will permit one additional employee to attend training with your Operating Partner.

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TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
History and Mission of Heyday	1	0	Online
Use of LMS Platform	0.5	0	Online
Site Selection	2	4	Online and Franchisee's Market
Pre-Opening Tasks, Timelines, and Lists Review	1	12	Online – Weekly Virtual Training
Development and Construction	2	12	Online – Weekly Phone Meeting
Recruiting	4	0	Online
Training and Orientation Process	2	0	Online
Hours of Operation Review	0.5	0	Online
Daily Procedures	2	4	Corporate Shop
Customer Service Procedures	2	2	Corporate Shop
Boulevard Training	6	6	Corporate Shop
Prospr Training	1	1	Corporate Shop
Esthetician Foundations Training	8	4	Corporate Shop
Scheduling	2	4	Corporate Shop
Labor Management	2	4	Corporate Shop
Communicating with Clients	4	4	Corporate Shop
Service Protocols	3	3	Corporate Shop
Customer Data Input	2	4	Corporate Shop
Selling Retail Products	2	4	Corporate Shop
Gift Card Training	1	2	Corporate Shop
Membership Training	2	4	Corporate Shop

We anticipate that you will open your Shop within 9 to 18 months after you sign the Franchise Agreement. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to locate a location which we will accept, for the landlord to deliver the space in accordance with the Landlord work letter, to obtain any financing you need, to obtain required licenses, permits, and governmental agency approvals, to fulfill local ordinance requirements, to complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs, and to complete our initial training program and to complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

If you fail to open the Shop for business ~~by~~within 18 months of the ~~anniversary date~~Effective Date of the Franchise Agreement, we can terminate the Franchise Agreement and your Initial Franchise Fee is not refundable.

ITEM 12 TERRITORY

You will operate the Shop at a location that we have approved, and may relocate the Shop only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the Shop premises is destroyed or materially damaged by fire, flood, or other natural catastrophe, and you are not in default of the Franchise Agreement or any other agreement with us or our affiliates. You must reimburse us all out-of-pocket expenses that we incur in connection with the relocation or your Shop.

When you sign the Franchise Agreement, we will agree on a "Site Selection Area" within which you may locate the Shop~~. We have engaged a national tenant broker~~ and you will engage with L5 Acceleration Services to provide advisory and site selection services to assist ~~us~~you with the ~~expansion~~development plans for ~~Heyday's company affiliated Shops. The tenant representative provides~~your Shop. L5 Acceleration Services will provide advisory services in which they analyze past and current sales of all Heyday Shop locations, Shop size, co-tenancy, demographics, psychographics, and competition. As a result of this analysis they have identified possible factors to help us locate future sites. We ~~recommend~~require that you utilize the services of ~~this tenant representative~~L5 Acceleration Services to help you identify sites and assist you in the negotiations of the letter of intent. ~~It is anticipated that the landlord will pay our tenant representative a brokerage commission for the services they provide to you. On the rare occasion that a landlord will not pay a commission, you will be obligated to pay the tenant broker $25,000 as a success fee for the signing of the lease.~~

~~If you use our designated national tenant broker, we will provide you with certain site selection assistance as we deem appropriate, and also visit the market to review the proposed sites for your Shop at no extra cost. If we need to visit additional sites for Shops beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker. We estimate the site assistance payments per additional visit would be approximately $5,000 (including $1,500 to $2,000 to be retained to us). If you do not use our designated national tenant broker, we will still provide you with certain site selection assistance as we deem appropriate and also visit one proposed site for your Shop at no extra cost. If we need to visit additional sites for Shops beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, meals and the costs of the concurrent assistance from our designated national tenant broker. We estimate the site assistance payments per additional visit would be approximately $5,000 (including $1,500 to $2,000 to be retained to us). These site assistance expenses are separate from, and in addition to, the other fees and amounts you will pay under the Franchise Agreement.~~

L5 Acceleration Services will provide you with certain site selection assistance and also visit the market to review the proposed sites.

If you fail to acquire an acceptable site by this date, you will be in default and we may terminate the Franchise Agreement.

For each proposed site that you or ~~the national tenant broker~~L5 Acceleration Services identifies, you must deliver to us a franchise site application in a form that we prescribe, including information about the site as we may reasonably request to perform our evaluation. We will approve or refuse to approve your proposed site within 30 days of receiving all requested information about the site. The criteria that we use to evaluate the site include general location, neighborhood, surrounding tenants, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

When the Shop location is identified, the location will be identified in Attachment B to the Franchise Agreement. Your Protected Area will be determined by us after you execute a lease for the Shop, which will be identified on a map attached to Attachment B. The actual boundaries of the Protected Area will be determined based on a number of factors, which may vary from one location to the next, but a minimum Protected Area will contain a population (include daytime workforce and residential) of approximately 25,000 persons. We expect your Protected Area will range from a one (1) block radius surrounding the Shop (in a dense urban area such as New York City) to a radius of ~~2~~3 miles surrounding the Shop (in a more suburban area).

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~~, including the Internet, and we~~.

We have no obligation to pay you any compensation for soliciting or accepting orders inside your Protected Area.

We do not currently operate, franchise or plan to operate independent brick and mortar shops under any brand or tradename that will offer goods and services that are similar to those that you will offer at your Heyday Shop. That being said, however, we reserve the right, in the future, to: (1) operate (and license others to operate) any type of business other than a Heyday Shop branded business at any location inside or outside the Protected Area; (2) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from Heyday Shops, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the Internet or similar electronic media) both inside and outside the Protected Area; (3) operate (and license others to operate) Heyday Shops located anywhere outside the Protected Area regardless of proximity to your Heyday Shop; (4) acquire the assets and/or ownership interests of one or more competing businesses ("Competing Businesses") and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises and/or licenses Competing Businesses in the Protected Area; (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area; and (7) open or allow others to open Heyday Shops in Special Locations inside or outside the Site Selection Area, Development Area and/or Protected Area.

For purposes of this Disclosure Document, Franchise Agreement and Development Agreement, a "**Special Location**" means an airport, train station, bus terminal, hotel, college, university, hospital, military base, casino, or stadium, as designated by us.

We are not required to pay any compensation for soliciting or accepting orders for products and services identified by the Proprietary Marks as described above in your Protected Area. Our estheticians and estheticians employed by or affiliated with other franchisees may perform skincare services anywhere, at a customer's request, including inside your Protected Area. Neither we nor any franchisee is required to compensate you on account of services performed in your Protected Area.

We may enter into agreements with retailers to offer and sell Private Label Products in their retail stores, and may enter into agreements with internet and media companies that may offer and sell our Private Label Products via internet websites and television programs. These companies may have retail locations in your Protected Area and/or sell and deliver Private Label Products to customers in your Protected Area.

Except for the rights granted in a Development Rights Agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Shops, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. There are no circumstances that permit us to modify your Protected Area, nor do we require that you meet a minimum sales quota to maintain your Protected Area.

Development Rights Agreement

We may enter into a Development Rights Agreement with you granting you the right to develop, open and operate an agreed upon number of Heyday Shops in a defined geographic area referred to as the "Development Area" on or before the Development Deadlines included in the Development Rights Agreement. You may, but are not obligated to sign a Development Rights Agreement. If we enter into a Development Rights Agreement, you and we will agree to a Development Schedule that outlines the dates by which each of those additional Heyday Shops must be opened. (See Exhibit D). If you sign a Development Rights Agreement, you will be required to sign the Franchisor's then current form of Franchise Agreement when you sign subsequent franchise agreements pursuant to the Development Rights Agreement.

If you are complying with all of the terms of the Development Rights Agreement and you and your affiliates are complying with all obligations under all Franchise Agreements, during the term of the Development Rights Agreement, neither we nor our affiliates will operate, or authorize any other party to operate, a Heyday Shop the physical premises of which are located within the Development Area except for: (a) franchises we grant you and your approved Affiliated Entities; (b) Heyday Shops that are located at non-traditional locations such as department stores, hotels, residential buildings, private clubs, corporate campuses and other venues to which the general public customarily has limited access ("Non-Traditional Locations"). We will not alter the Development Area attached as Exhibit A to the Development Rights Agreement. We will approve sites for additional Shops under the Development Rights Agreement using our then-current site criteria.

We (and any affiliates that we might have from time to time) have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by the Development Rights Agreement, including but not limited to, the right to sell our product lines, both branded or otherwise, through wholesale channels, including on-line, and other channels of distribution, within or outside of the Development Areas.

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, including the Internet, and we have no obligation to pay you any compensation for soliciting or accepting orders inside your Development Area.

Upon expiration or termination of the Development Rights Agreement (which includes our right to terminate the Development Rights Agreement as a result of your failure to satisfy your obligations under the development schedule or any other obligation under the Development Rights Agreement), we (and our affiliates) may operate, and authorize any other parties to operate Heyday Shops, the physical premises of which are located within the Development Areas and engage, and allow others to engage, within and outside the Development Area without any restrictions, subject only to your (or your Affiliated Entity's) rights under existing franchise agreements with us (which includes any Protected Areas).

ITEM 13 TRADEMARKS

~~a.~~ Our affiliate, Heyday Wellness, has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office for the following Marks. All required affidavits regarding the registered marks have been filed.

Word Mark	Reg. Number	Date of Registration	International Class(es)
HEYDAY	4805229	September 1, 2015	044
FACE LIFE FRESH	4865627	December 8, 2015	044

Our affiliate Heyday Wellness has applied for registration of ~~the following Marks~~one of our principal marks in additional International Classes on the Principal Register of the U.S. Patent and Trademark office.

Word Mark	Serial Number	Date of Application	International Class(es)
HEYDAY	90239384	October 7, 2020	003, 021, 025

Heyday Wellness owns and has granted us the right to use these Marks in connection with the franchising of Heyday Shops and the operation of company-affiliated Shops. Our agreement with Heyday Wellness is perpetual unless otherwise terminated by mutual agreement. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

There ~~are~~is no material litigation involving principal marks that are material to the franchise. There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court. There are no directly infringing uses actually known to us that could materially affect your use of the Marks, however, we have not conducted an exhaustive search of users of names which may be the same or similar to our marks.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "TM", or "sm", as appropriate. You may use the Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner we prescribe. You may not contest ownership or validity of the Marks or any registration of the Marks, or our right to use or to sublicense the use of the Marks. You must sign all documents that we require in order to protect the Marks and to maintain their validity and enforceability.

You may not use the Marks or any part of the Marks in your corporate name, and may not use them to incur any obligation or indebtedness on our behalf.

You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaining website or social networking website (such as FACEBOOK, INSTAGRAM, PINTEREST, or TWITTER) or as part of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works, or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against third parties for infringement of our Marks or Copyrighted Works. In the event of a lawsuit relating to your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to the action. Unless the action is the result of your use of the Marks or Copyright Works in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your associated costs.

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

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights material to the franchise. However, we claim copyright protection in the Manual, the design elements of our Marks, our Shop design, our product packaging, advertising and promotional materials, and the content and design of our website (the "Copyrighted Works").

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We have no obligation to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking websites (such as FACEBOOK, INSTAGRAM, PINTEREST, or TWITTER).

You and your employees must maintain the confidentiality of all information contained in the Manuals and other information that we consider confidential, proprietary, or trade secret information. “Confidential Information” means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; and standards and specifications for services and products offered; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, any training we provide, and all other information that we designate. You must implement any reasonable procedures we may adopt to protect our Confidential Information including restrictions on disclosures to your employees and requiring employees who will have access to our Confidential Information to sign employment agreements containing non-disclosure and non-competition provisions.

You may not contest our exclusive ownership of the copyrights, trade secrets, processes, methods, procedures, formulae, techniques and other proprietary information to which we claim exclusive rights.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your Shop, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

If the franchisee is a business entity, an individual owner with at least a 20% equity interest (or other participation stake acceptable to us) in the franchisee ("Operating Partner") must oversee the day-to-day operations of your first Shop and devotes his or her full time energy and best efforts towards the management, operation, promotion, and growth of the business.

The Operating Partner must successfully complete our initial training program, and may not engage in any other business or activity that requires substantial management responsibility or time commitment. If your Operating Partner ceases to serve in, or no longer qualifies for, the position, you must designate a new Operating Partner within 30 days. Each replacement Operating Partner must successfully complete our initial training program before assuming responsibility.

If the franchisee is a business entity, each Owner identified in Attachment C to the Franchise Agreement must sign a Limited Personal Guaranty and Undertaking substantially in the form attached as Attachment D-1 to the Franchise Agreement; although with regard to minority partners who do not actively participate in the operation of the franchise business we may, in our sole discretion, waive this guaranty requirement. Any individual, who attends our initial training program, including your Operating Partner, must sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D-2 to the Franchise Agreement.

The term "Owner" means each individual or entity holding a direct or indirect beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as described below, you must offer and sell all products, services, and membership programs that we require, and only the products and services that we have approved. We may add, eliminate and change products and service items periodically, and you must comply with all directives (which may require purchasing and installing additional equipment). There are no limits on our right to make changes. We may, on occasion, require you to test market products and/or services at your Shop. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations that we establish.

We may periodically develop and implement membership programs for the HEYDAY® franchise system. Participation in such membership programs may include accepting new customers and providing customer services according to pre-paid terms that we establish or that may have been established by another HEYDAY® franchisee. Participation also may include invoicing us or another franchisee for services performed for customer-members of a different Heyday Shop. You must fully participate in all such membership programs according to our System Standards. All sales must be for retail consumption only and you may not engage in wholesale sales of any kind through any channels of distribution without our prior consent. You may not sell Private Label Products through any means of distribution other than from the Shop unless we expressly authorize in writing. We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law. We do not limit the customers to whom you can offer services.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

a. Length of the franchise term	4(A)	Begins on the date the Franchise Agreement is signed and ends 10 years after you open the Shop.
b. Renewal or extension of the term	4(B)	If you are in good standing, you can renew for two additional consecutive 5-year terms.
c. Requirements for franchisee to renew or extend	4(B)	(1) You must give us written notice of your election to remain a franchisee at the Heyday Shop not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term; You must pay us a Successor Franchise Fee equal to the greater of 25% of the then current initial franchise fee or $12,500 (the "Successor Franchise Fee"); Neither you

		nor any of your affiliates are in default under the Franchise Agreement or any other agreements with us or our affiliates; You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term; You must renovate and update your Heyday Shop to reflect the then-current image of Heyday Shops; You must correct any existing deficiencies of your Heyday Shop or in your operation of your Heyday Shop and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your managerial and training personnel and/or your staff (which may involve the payment of training fees); You must sign, and your owners and all guarantors of your obligations under the Franchise Agreement must personally guarantee, our ~~standard~~then current form of Franchise Agreement that we are ~~then~~ offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees); and ~~You~~you, and your owners and guarantors of your obligations under the Franchise Agreement must sign a general release (substantially similar to the form attached hereto as Exhibit F to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents and employees. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	N/A	
e. Termination by franchisor without cause	N/A	Not applicable
f. Termination by franchisor with cause	19(A), 19(B)	We can only terminate the Franchise Agreement if you are in default of the Franchise Agreement.
g. "Cause" defined— curable defaults	19(B)	Except for those items listed in Sections 19(A) or 19(B)(2), you will have 30 days after written receipt of notice of default

		months following your (or a major member, partner or shareholder's) death or legal incapacity, your Franchise Agreement may be terminated.
q. Non-competition covenants during the term of the franchise	18(B)	Neither you nor your owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any retail establishment providing skincare services (including facials) at any location within the U.S., its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks, no diversion of any present or prospective customer of ours to a competitor, no solicitation of ours or any of our Affiliate's management employees.
r. Non-competition covenants after the franchise is terminated or expires	18(B)	Neither you nor your owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any retail establishment providing skincare services (including facials) at your former Shop location, or within a five-mile radius of your former Shop location, or within a five-mile radius of any other Heyday Shop location for a period of two years following expiration, termination or transfer (subject to applicable state law).
s. Modification of the agreement	26	Must be in writing and signed by all parties.
t. Integration/merger clause	24	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to federal and state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representation made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	27	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which

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.

MONTHLY NET SALES FOR NINE (9) COMPANY_OWNED SHOPS IN EACH SHOP'S FIRST 12* MONTHS OF OPERATION

The below table reflects the monthly Net Sales for nine (9) Company-Owned Shops during each Shop's first 12 months of operations beginning with the first day of the first full month when the Shop opened and continuing for twelve consecutive months (ex: if a Shop opened on July 9th, the period will reflect amounts from August to July of the following year). The table includes information on six (6) Shops in New York, two (2) Shops in California, and one (1) Shop in Pennsylvania. It excludes one (1) non-traditional Shop that opened inside a Nordstrom Department Store in New York in 2019 and one (1) Shop that opened in 2020 in California. Each Shop included in the table offered similar products and services during its first year of operation as would generally be offered by a typical Heyday Shop described in this disclosure document.

~~Shop One~~New York City (Broadway - Nomad)	8	June 2015	$79,393	$91,530	$87,007	$107,555	$116,972	$127,712	$118,350	$137,687	$188,016	$179,400	$205,656	$191,297	$1,630,575
~~Shop Two~~New York City (Reade - Tribeca)	7	August 2016	$124,003	$152,115	$142,262	$156,290	$147,736	$151,228	$153,448	$147,798	$151,773	$157,283	$146,851	$154,741	$1,785,528
~~Shop Three~~New York City (3rd Avenue – Upper East Side)	14	March 2017	$128,637	$131,747	$145,376	$132,020	$139,760	$142,755	$144,733	$158,931	$149,152	$141,686	$141,253	$156,637	$1,712,687
~~Shop Four~~New York City (71st Street – Upper West Side)	9	September 2017	$82,349	$81,175	$79,823	$77,090	$92,861	$101,169	$106,348	$115,549	$110,647	$108,040	$116,342	$114,384	$1,185,777
~~Shop Five~~New York City (Lafayette - Noho)	9	November 2017	$112,580	$114,452	$143,017	$148,573	$161,738	$174,460	$174,873	$182,831	$181,259	$173,847	$187,397	$183,769	$1,938,796
~~Shop Six~~Los Angeles	11	July 2018	$58,873	$67,120	$66,238	$74,326	$104,393	$109,784	$124,140	$168,264	$140,613	$163,873	$142,907	$143,020	$1,363,551

(Beverly Blvd.)															
~~Shop Seven~~Los Angeles (Brentwood)	12	April 2019	$66,254	$66,577	$64,009	$79,539	$81,289	$78,550	$93,767	$93,117	$93,268	$102,245	$54,035	*	$872,650
~~Shop Eight~~New York City (19th Street)	10	August 2019	$160,141	$152,831	$184,128	$58,630	$79,786	$198,020	$105,173	*	*	*	*	*	$938,709
~~Shop Nine~~Philadelphia (Chestnut - Rittenhouse)	11	October 2019	$90,785	$103,157	$99,138	$106,164	$63,421	*	*	*	*	*	*	*	$462,665

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

Notes

(1) The “Chairs” column represents the number of chairs in a particular Shop from which facial services are provided.

(2) All of our Shops closed on March 13, 2020 as a direct result of government orders surrounding the COVID-19 pandemic. Net Sales for the last represented month for ~~Shop 7, Shop 8~~Los Angeles (Beverly Blvd.), New York City (19th Street), and ~~Shop 9~~Philadelphia (Chestnut) reflect only partial monthly Net Sales because each of the closure of these locations.

(3) The Los Angeles (Brentwood Shop ~~Seven~~ was closed permanently ~~on~~in November 2020 because we were unable to achieve rent concessions with the landlord and we were able to sublease the space without any future lease liability.

(4) The New York City (19th Street) Shop ~~Eight~~ was closed for a month across its Months 4 & 5 due to a water pipe break that required a rebuild of that location before it could be functional again.

(5) **These Heyday Shops generated the above results. Your individual results may differ. There is no assurance that you'll sell or earn as much.**

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PROFIT AND LOSS STATEMENT FOR SIX (6) MATURE COMPANY-OWNED SHOPS IN THEIR FIRST TWELVE AND TWENTY-FOUR FULL MONTHS OF OPERATIONS

The below table reflects unaudited historic Net Sales, Expenses, Shop Size, and EBITDA for six (6) mature Affiliate owned Shops for their first 24 months of operations. The information used to prepare and present this financial performance representation was collected from profit and loss statements collected from each of the included Shops. Each of the Shops included in this financial performance representation was opened prior to July 2018 and has seven or more chairs. Five (5) of the included Shops are in New York and one (1) included Shop is in California. This financial performance representation excludes one (1) non-traditional Shop located inside a Nordstrom's department store, three (3) Shops that opened in 2019, and one (1) Shop that opened in 2020. Each Shop included in the table offered similar products and services as would generally be offered by a typical Heyday Shop described in this disclosure document during the last fiscal year.

Profit and Loss Statement for Months 1-12

	~~Shop One~~New York City (Broadway - Nomad)	~~Shop Two~~New York City (Reade - Tribeca)	~~Shop Three~~New York City (3rd Avenue Upper East Side)	~~Shop Four~~New York City (71st Street – Upper West Side)	~~Shop Five~~New York City (Lafayette - Noho)	~~Shop Six~~Los Angeles (Beverly Blvd.)				
No. of Chairs	8	7	14	9	9	11	10	9	14	7
SQ. FT. OF SHOP	1,500	1,300	1,908	2,100	1,284	2,249	1,724	1,704	2,249	1,284
# OF SERVICES PERFORMED	12,380	13,939	13,639	10,427	16,965	12,660	13,335	13,150	16,965	10,427
REVENUE										
Service Revenue	$1,193,758	$1,331,730	$1,284,928	$944,240	$1,502,554	$1,165,614	$1,237,137	$1,239,343	$1,502,554	$944,240
Product Revenue	$466,674	$480,313	$453,778	$272,801	$494,477	$331,262	$416,551	$460,226	$494,477	$272,801
Discounts	-$29,856	-$26,515	-$26,019	-$31,264	-$58,235	-$133,325	-$50,869	-$30,560	-$26,019	-$133,325
Net Revenue	$1,630,575	$1,785,528	$1,712,687	$1,185,777	$1,938,796	$1,363,551	$1,602,819	$1,669,009	$1,971,012	$1,083,716

	~~Shop One~~New York City (Broadway - Nomad)	~~Shop Two~~New York City (Reade - Tribeca)	~~Shop Three~~New York City (3rd Avenue Upper East Side)	~~Shop Four~~New York City (71st Street – Upper West Side)	~~Shop Five~~New York City (Lafayette - Noho)	~~Shop Six~~Los Angeles (Beverly Blvd.)				
EXPENSES										
Service Labor	~~$513,236~~$276,581	~~$570,833~~$383,045	~~$652,109~~$333,816	~~$488,852~~$273,804	~~$703,343~~$415,097	~~$460,780~~$214,859	~~$564,859~~$316,200	~~$542,035~~$305,199	~~$703,343~~$415,097	~~$460,780~~$214,859
COGS - Retail & Back bar	$328,775	$350,965	$297,099	$217,133	$379,234	$239,541	$302,125	$312,937	$379,234	$217,133
Host & Manager Labor	$160,291	$238,318	$207,546	$166,411	$194,928	$212,662	$196,693	$201,237	$238,318	$160,291
Non-Utiliz	$236,655	$187,788	$318,293	$215,048	$288,246	$245,921	$248,659	$241,288	$318,293	$187,788
Operating Expenses	$193,454	$210,452	$183,970	~~$141,661~~$128,404	$140,106	~~$368,542~~$368,543	~~$206,364~~$204,155	$188,712	~~$368,542~~$368,543	~~$140,106~~$128,404
Rent	$252,000	$173,954	$321,032	$290,875	$357,159	$132,750	$254,628	$271,438	$357,159	$132,750
EBITDA	$182,819	$241,006	$50,931	~~-$119,155~~-$105,898	$164,026	~~-$50,724~~-$50,725	~~$78,151~~$80,360	~~$152,651~~$107,479	~~$182,819~~$241,006	~~-$119,155~~-$105,898
Rent Per Sq. Ft	$168	$134	$168	$139	$278	$59	$158	$153	$278	$59
Revenue Per Sq. Ft	$1,087	$1,373	$898	$565	$1,510	$606	$1,007	$992	$1,510	$565
Utilization	53%	67%	51%	56%	59%	48%	56%	55%	67%	48%
Royalties (7%)	$114,140	$124,987	$119,888	$83,004	$135,716	$95,449	$112,197	$116,831	$137,971	$75,860
Brand Fund (2%)	$32,612	$35,711	$34,254	$23,716	$38,776	$27,271	$32,056	$33,380	$39,420	$21,674

Profit and Loss Statement for Months 13-24

	~~Shop One~~New York City (Broadway - Nomad)	~~Shop Two~~New York City (Reade - Tribeca)	~~Shop Three~~New York City (3rd Avenue Upper East Side)	~~Shop Four~~New York City (71st Street – Upper West Side)	~~Shop Five~~New York City (Lafayette - Noho)				
Chairs	8	7	14	9	9	10	9	14	7
SQ. FT. OF SHOP	1,500	1,300	1,908	2,100	1,284	1,724	1,704	2,249	1,284
# OF SERVICES PERFORMED	18,688	13,918	17,631	15,467	20,161	17,173	17,631	20,161	13,918
REVENUE									
Service Sales	$1,994,133	$1,427,813	$1,713,037	$1,480,698	$1,891,366	$1,701,409	$1,713,037	$1,994,133	$1,427,813
Product Sales	$798,484	$422,225	$572,910	$384,905	$609,739	$557,653	$572,910	$798,484	$384,905
Discounts	-$54,122	-$38,916	-$69,603	-$73,498	-$98,927	-$67,013	-$69,603	-$38,916	-$98,927
Net Sales	$2,738,495	$1,811,122	$2,216,344	$1,792,105	$2,402,178	$2,192,049	$2,216,344	$2,738,495	$1,792,105
EXPENSES									
Service Labor	~~$700,744~~$514,847	~~$574,968~~$363,889	~~$727,763~~$381,779	~~$457,768~~$257,131	~~$525,348~~$319,527	~~$597,318~~$367,435	~~$574,968~~$363,889	~~$727,763~~$514,847	~~$457,768~~$257,131
COGS - Retail & Back bar	$533,364	$280,337	$454,399	$336,408	$433,103	$407,522	$433,103	$533,364	$280,337
Host & Manager Labor	$248,861	$174,794	$219,961	$212,208	$234,119	$217,989	$219,961	$248,861	$174,794
Non-Utilize	$185,897	$211,079	$345,985	$200,638	$205,820	$229,884	$205,820	$345,985	$185,897
Operating Expenses	$288,570	$211,120	~~$364,858~~$364,856	~~$456,474~~$437,569	$560,986	~~$376,402~~$372,620	~~$364,858~~$364,856	$560,986	$211,120
Rent	$256,180	$145,835	$412,753	$236,302	$396,800	$289,574	$256,180	$412,753	$145,835
EBITDA	$710,776	$424,068	~~$36,610~~$36,611	~~$92,945~~$111,849	~~$251,822~~$251,823	~~$303,244~~$307,025	~~$251,822~~$251,823	$710,776	~~$36,610~~$36,611

(10) Debt service, depreciation, amortization, and federal and state taxes are not included in this financial performance representation.

(11) The Los Angeles (Beverly Blvd.) Shop ~~Six~~ does not have 24 months of sales and is therefore not reflected in the second chart.

(12) **These Heyday Shops generated the above results. Your individual results may differ. There is no assurance that you'll sell or earn as much.**

NET SALES FOR 2019 AND 2020 AT EIGHT (8) COMPANY OWNED SHOPS LOCATED IN NEW YORK, CALIFORNIA, AND PENNSYLVANIA

The table below reflects historic Net Sales at eight (8) Company-Owned Shops for calendar years 2019 and 2020. The table includes Net Sales information for six (6) Shops in New York, ~~two~~one (~~2~~1) ~~Shops~~Shop in California, and one (1) Shop in Pennsylvania. It excludes one (1) non-traditional Shop that opened inside a Nordstrom Department Store in New York in October 2019, one (1) Shop that opened in 2020 in California., and one (1) Shop that permanently closed in California in November of 2020. The information used to prepare and present this financial performance representation reflects reported sales data from each of the included Shops. Each Shop included in the financial performance representation offered similar products and services in 2019 and 2020 as would generally be offered by a typical Heyday Shop offered pursuant to this disclosure document.

														July	
Shop	**Month/ Yr. Opened**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
~~Shop One~~New York City (Broadway - Nomad)	Jun-15	$231,919	$213,557	$221,634	$218,184	$254,047	$115,968	$227,743	$0	$254,225	$0	$266,660	$0	$228,723	$0
~~Shop Two~~New York City (Reade - Tribeca)	Aug-16	$159,337	$148,942	$158,978	$164,623	$168,562	$85,658	$160,522	$0	$154,787	$0	$179,142	$0	$159,823	$0
~~Shop Three~~New York City (3rd Avenue – Upper East Side)	Mar-17	$195,854	$217,826	$201,181	$174,904	$238,133	$85,093	$186,707	$0	$227,953	$0	$242,616	$0	$205,955	$0
~~Shop Four~~New York City (71st Street – Upper West Side)	Sep-17	$148,423	$162,867	$145,584	$172,424	$170,035	$92,915	$147,934	$0	$156,184	$0	$177,848	$0	$155,247	$0
~~Shop Five~~New York City (Lafayette - Noho)	Nov-17	$196,500	$199,640	$183,538	$195,911	$213,814	$112,871	$192,433	$0	$190,910	$0	$212,298	$0	$200,352	$0
~~Shop Six~~Los Angeles (Beverly Blvd.)	Jul-18	$109,784	$159,378	$124,140	$181,555	$168,264	$81,382	$143,020	$0	$140,613	$0	$163,873	$0	$142,907	$0
~~Shop Eight~~New York City (19th Street)	Aug-19	$0	$79,786	$0	$198,020	$0	$105,173	$0	$0	$0	$0	$0	$0	$0	$0

~~Shop Nine~~Philadelphia (Chestnut - Rittenhouse)	Oct-19	$0	$99,138	$0	$106,164	$0	$63,421	$0	$0	$0	$0	$0	$0	$0	$0

		August		**September**		**October**		**November**		**December**		**Totals**	
Shop	**Month/Yr. Opened**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
~~Shop One~~New York City (Broadway - Nomad)	Jun-15	$234,920	$0	$212,265	$18,867	$237,804	$60,202	$243,090	$49,568	$237,090	$48,975	$2,850,120	$725,322
~~Shop Two~~New York City (Reade - Tribeca)	Aug-16	$177,858	$0	$150,599	$17,592	$163,870	$60,398	$167,920	$57,818	$169,798	$48,806	$1,971,196	$583,837
~~Shop Three~~New York City (3rd Avenue – Upper East Side)	Mar-17	$218,178	$0	$218,772	$25,082	$212,728	$89,664	$233,297	$76,605	$235,680	$79,695	$2,617,054	$748,869
~~Shop Four~~New York City (71st Street – Upper West Side)	Sep-17	$170,656	$0	$158,270	$30,455	$160,815	$77,554	$162,415	$55,498	$172,071	$54,945	$1,925,482	$646,658
~~Shop Five~~New York City (Lafayette - Noho)	Nov-17	$204,521	$0	$198,183	$20,360	$205,500	$82,434	$204,397	$74,330	$213,749	$64,503	$2,416,195	$750,049
~~Shop Six~~Los Angeles (Beverly Blvd.)	Jul-18	$168,204	$0	$159,467	$0	$153,479	$13,963	$156,876	$47,701	$165,023	$0	$1,795,650	$483,979
~~Shop Eight~~New York City (19th Street)	Aug-19	$55,340	$0	$160,141	$26,851	$152,831	$71,806	$184,128	$53,613	$58,630	$53,357	$611,070	$588,606
~~Shop Nine~~Philadelphia (Chestnut - Rittenhouse)	Oct-19	$0	$0	$0	$0	$38,053	$28,601	$90,785	$29,086	$103,157	$0	$231,995	$326,410

Notes:

(1) All of our Shops closed on March 13, 2020 as a result of COVID-19 protocols mandated by local and state authorities. Our Shops in New York reopened on September 24, 2020 and operated for the remainder of 2020 under COVID-19 protocols, open from Thursday through Sunday only and for limited opening hours. These Shops were closed the remainder of the week. Our Shops in ~~California~~Los Angeles and ~~Pennsylvania~~Philadelphia reopened on October 21, 2020 and operated under Covid-19 protocols by being open from Thursday through Sunday only. These Shops were closed the remainder of the week for four weeks before being closed again on November 19, 2020 in ~~Pennsylvania~~Philadelphia, and on November 19, 2020 in ~~California~~Los Angeles due to government mandated COVID-19 protocols.

(2) "Net Sales" is the sum total of the Service Sales and Product Sales but subtracting discounts, credits, and refunds.

(3) **~~These Heyday Shops generated the above results~~Some outlets sold these amounts. Your individual results may differ. There is no assurance that you'll sell ~~or earn~~ as much.**

Other than the preceding financial performance representation, Heyday Franchise, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to ~~our~~the franchisor's management by contacting Sean Bock, Chief Development Officer, Heyday Franchise LLC, 4455 East Camelback Rd., Suite 215A, Phoenix, AZ 85018, (602) 505-4325, the Federal Trade Commission, and the appropriate state regulatory agencies~~.~~

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	2019	5	2	0	0	0	7
	2020	7	0	0	0	0	7
Pennsylvania	2018	0	0	0	0	0	0
	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	5	1	0	0	0	6
	2019	6	4	0	0	0	10
	2020	10	1	0	1	0	10

Table No. 5
Projected Openings as of December 31, 2020

CA	0	0	1
FL	0	0	0
IL	0	0	0
MD	0	0	1
MA	0	0	0
NV	0	0	0
NY	0	0	0
PA	0	0	0
SC	0	0	0
TX	0	0	0
VA	0	0	0
WA	0	0	0
Total	0	0	2

Current Franchisees

~~We do not have any~~Attached to this Franchise Disclosure Document as Exhibit G is a list of existing franchisees. Currently, we do not have any existing franchisees.

Former Franchisees

We have no franchisees that we have terminated or for whom we have refused to renew a franchise during our last fiscal year, or with whom we have not communicated during the 10 weeks preceding the date of this Disclosure Document.

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

Purchase of Previously-Owned Franchise

If you ~~are~~ purchase a previously owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

During the last three fiscal years, we have not signed agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

Franchisee Associations

We are not aware of any trademark-specific franchisee organization associated with our franchise.

ITEM 21 FINANCIAL STATEMENTS

Franchisor has not been in business for three years or more and cannot include all the financial statements required by the Rule. Attached to this Franchise Disclosure Document as Exhibit E is an audited opening balance sheet for the Franchisor as of January 27, 2021. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The following agreements and other required exhibits are attached to this disclosure document.

EXHIBIT C FRANCHISE AGREEMENT
- Exhibit 1-Franchise Information
- Exhibit 2-Form of Collateral Assignment of Lease
- Exhibit 3-Authorization Agreement for Prearranged Payments and Credits
- Exhibit 4-Listing of Ownership Interests
- Exhibit 5-Agreement to Be Bound and to Guarantee

EXHIBIT D DEVELOPMENT RIGHTS AGREEMENT
EXHIBIT F GENERAL RELEASE
EXHIBIT H REAL ESTATE SERVICES VENDOR AGREEMENT

ITEM 23 RECEIPTS

The last two pages of the Franchise Disclosure Document (following the exhibits and attachments) are receipt pages acknowledging your receipt of the Franchise Disclosure Document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

ADDENDUM TO HEYDAY FRANCHISE LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

~~The State Cover Page of this disclosure document are amended by adding the following:~~

~~Any~~

Illinois law governs the Agreements.
In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the ~~Franchise Agreement~~franchise agreement that designates jurisdiction ~~or~~and venue in ~~the~~a forum outside of the State of Illinois is void~~ with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement~~. However, a franchise agreement may provide for arbitration to take place outside ~~Illinois. In addition,~~of Illinois~~ law will govern the Franchise Agreement~~.
Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 0f the Illinois Franchise Disclosure Act~~ paragraphs 705/19 and 705/20 provide rights to you concerning non-renewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control~~.

~~Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act will be void and are deleted with respect to claims under the Act.~~

~~Section~~
In conformance with section 41 of the Illinois Franchise Disclosure Act, ~~states that "~~any condition, stipulation~~,~~ or provision purporting to bind any person acquiring any franchise to waive compliance with ~~any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with~~the Illinois Franchise Disclosure Act or any other law~~,~~ of Illinois ~~law will control.~~is void.
The Franchisor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor *anticipates* that a landlord/lessee does NOT pay the commission – then you must pay "success fee" of up to $25,000 for signing a lease.
The Franchisor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor anticipates that a landlord/lessee will pay the commission to the national tenant broker, if the landlord/lessee does NOT pay the commission - then you must pay a $15,000 "success fee" for signing a lease.

ADDENDUM TO HEYDAY FRANCHISE LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. Under the Summary column of parts (c) and (m), is amended to include the following paragraph.

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
Under the Summary column of part (h), is amended to include the following sentence.

Minn Stat §80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief; however, we may seek such relief through the court system.
Minn Rule 2860 4400J prohibits us from, requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.
Minn Stat §604 113 sets a cap of $30 on fees to be paid to us if any check, draft, electronic or otherwise, is returned for insufficient funds.

ADDENDUM TO HEYDAY FRANCHISE LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

~~4. ITEM 3 "Litigation" is hereby amended by deleting the last paragraph in that Item and replacing it with the following language:~~

"

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

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 ~~described in this Item, Neither~~provided above, with regard to the franchisor, its predecessor, a person identified in ~~above~~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 ~~operation~~operations.

C.

~~Neither franchisor, its predecessor, a person identified in above, or an affiliate offering franchises under the franchisor's principal trademark~~ No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ~~ten~~10-year period immediately preceding the application ~~of~~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.

~~Neither franchisor, its predecessor, a person identified in above, or an affiliate offering franchises under the franchisor's principal trademark~~D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to ~~franchises~~the franchise, or under ~~any~~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.~~"~~

~~5. ITEM 4 "Bankruptcy", is hereby deleted in its entirety and the following language substituted in lieu thereof:~~

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

~~6. "Obligation to Participate in the Actual Operation of the Franchised Business", is supplemented by the following language that will be deemed an integral part thereof:~~

~~"If you are a corporation, partnership or other business entity, we do not require your manager to have an equity interest in your Franchised Business."~~

~~7. ITEM 17 "Renewal, Termination, Transfer and Dispute Resolution", is supplemented, under the categories entitled "Termination by Franchisee", "Assignment of Contract by Franchisor" and "Choice of Law" respectively, by the following language that will be deemed an integral part thereof:~~

~~In Section~~

3. 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.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by** ~~*Franchisee* – Notwithstanding any rights you may have in the Franchise Agreement permitting you to terminate the Agreement, the~~ **franchisee**":

You may ~~also have additional rights to~~ terminate the ~~Franchise Agreement~~agreement on any grounds available by law.

~~In Section j, *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.~~

~~In Section w, *Choice of Law* –~~

5. 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~~Article 33 of the General Business ~~law~~Law of the ~~state~~State of New York~~.~~

ADDENDUM TO HEYDAY FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

The following language will apply to Disclosure Documents issued in Rhode Island and be attached by addendum to Agreements issued in the state of Rhode Island.

If any of the provisions of this disclosure document (Rick Factor 1, Coverage Page), and (w) are inconsistent with §19-28 1-14 of the Rhode Island Franchise Investment Act, which states that a provision in an Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act, then said Rhode Island law will apply.

ADDENDUM TO HEYDAY FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

1. In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Any securities offered or sold by the franchisee as part of the Heyday Shop must either be registered or exempt from registration under Section 13 1-514 of the Virginia Securities Act.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $574,000 to $755,500. This amount exceeds the franchisor's stockholders equity as of January 27, 2021, which is $200,000.

ADDENDUM TO HEYDAY FRANCHISE LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination, and renewal of your franchise.

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

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS **FRANCHISE AGREEMENT** (“**Agreement**”) is made and entered into as of ______________ (“**Effective Date**”) by and between **Heyday Franchise LLC**, a Delaware limited liability company (“**Heyday Franchise**,” **"Franchisor"** “**we**,” “**us**,” or “**our**”), and ____________________________ (“**you**” or “**your**” or "**Franchisee"**).

2. ~~1.~~ PREAMBLES

(A) We and our affiliates have invested considerable time, effort, and money to develop a unique system (“System”) for the operation of a business under the name “Heyday” that offers skincare services and products in a warm, inviting, and unintimidating retail location under the trade name and service mark HEYDAY® (each a “Heyday Shop” or a "Shop").

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

(C) We identify the System by the “Heyday” name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, “Marks”), which we have designated, or may in the future designate, for use with the System. The Marks are owned by our parent, Heyday Wellness, LLC and licensed to us for use by the System.

(D) You would like to obtain a license to use the System and the Marks and to operate a franchised Heyday Shop at the location specified in Exhibit 1 (“Premises”), subject to the terms and conditions of this Agreement and in strict compliance with the high and uniform standards of quality, operations and service established by us for the System (“System Standards”).

(E) You acknowledge the importance of the System Standards and the necessity of developing and operating your Heyday Shop in strict conformity with this Agreement, the System Standards and our Standard Operation Procedures Library (“Manual”).

(F) We are willing to grant to you the opportunity to develop and operate a Heyday Shop at the Premises, subject to the terms and conditions of this Agreement.

3. ~~2.~~ GRANT OF FRANCHISE

(A) Grant. Subject to the terms of this Agreement, we grant to you a license (“Franchise”) to operate your Heyday Shop at the Premises and to use the System and Marks in the operation of a Heyday Shop. If you have not identified and received our approval of the Premises before you sign this Agreement, the Premises will be identified and included on Exhibit 1 as described in Section 5(A).

(B) Relocation. You may not operate your Heyday Shop at any site other than the Premises and you may not relocate your Heyday Shop without our prior written consent, which may be withheld by us in our sole discretion. You will be obligated to reimburse us for any actual expenses incurred in connection with our evaluation and/or approval of your relocation request.

(C) Forms of Agreement. Over time, we have entered and will continue to enter into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

(D) Best Efforts. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently, to use your best efforts to promote your Heyday Shop and the System, and to operate your Heyday Shop in accordance with our System Standards.

4. ~~3.~~ FRANCHISE RIGHTS

(A) Your Protected Area. Except as limited by Section 3(B) below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate, or license others to operate Heyday Shops in the geographic area identified and describe in Exhibit 1 as your Protected Area ("Protected Area") during the term of this Agreement. When the Shop location is identified, the location will be identified in Attachment B to the Franchise Agreement. Your Protected Area will be determined by us after you execute a lease for the Shop, which will be identified on a map attached to Attachment B. The actual boundaries of the Protected Area will be determined based on a number of factors, which may vary from one location to the next, but a minimum Protected Area will contain a population (include daytime workforce and residential) of approximately 25,000 persons. We expect your Protected Area will range from a one (1) block radius surrounding the Shop (in a dense urban area such as New York City) to a radius of 2 miles surrounding the Shop (in a more suburban area).

(B) The restrictions contained in this Section 3 do not apply to Heyday Shops under construction or in operation in the Site Selection Area (as defined by Section 5(A)) or Protected Area as of the date of this Agreement. If the Premises have not been approved in writing by us as of the Effective Date, your Protected Area will be determined by us after you execute a Lease for your Heyday Shop (the "Lease"), or otherwise secure the Premises in a manner approved by us, and at such time, the Protected Area will be attached to and incorporated into Exhibit 1.

(C) Rights We Reserve. Except as expressly granted to you in Section 3(A), we and our affiliates retain all rights with respect to Heyday Shops, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to the right to: (1) operate (and license others to operate) any type of business other than a Heyday Shop branded business at any location inside or outside the Protected Area; (2) provide, offer and sell (and license others to provide, offer and sell) products that are identical or similar to and/or competitive with those provided at or from Heyday Shops, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the Internet or similar electronic media) both inside and outside the Protected Area; (3) operate (and license others to operate) Heyday Shops located anywhere outside the Protected Area regardless of proximity to your Heyday Shop; (4) acquire the assets and/or ownership interests of one or more competing businesses ("Competing Businesses") and franchising, licensing or creating similar arrangements with respect to these businesses once acquired wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Area); (5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competitor that operates Competing Businesses, or by another business, even if such business operates, franchises and/or licenses Competing Businesses in the Protected Area; (6) create, place, and/or distribute or authorize others to create, place and/or distribute any advertising and promotional materials, which may appear in media, or be received by prospective customers located, within the Protected Area; and (7) open or allow others to open Heyday Shops in Special Locations inside or outside the Site Selection Area, Development Area and/or

Protected Area. For purposes of this Agreement, a "**Special Location**" means an airport, train station, bus terminal, hotel, college, university, hospital, military base, casino, or stadium, as designated by us.

(D) . The rights granted to you in the Protected Area does not limit the operation of Heyday Shops that are under construction or in operation in the Protected Area. We reserve all rights in the Site Selection Area that we reserve with respect to the Protected Area.

5. ~~4.~~ TERM

(A) Initial Term. The initial term of this Agreement ("Initial Term") and the Franchise granted by this Agreement will begin on the Effective Date and expire at midnight on the day preceding the 10th anniversary of the date your Heyday Shop first opens for business, unless this Agreement is terminated at an earlier date pursuant to Section 19. We will complete and forward to you a notice to memorialize the date your Heyday Shop first opened for business.

(B) Successor Terms. When this Agreement (and the first Successor Term) expires, you will have the option to request the right to remain a franchisee at the Premises for successor terms of five (5) years each (each a "Successor Term"). The qualifications and conditions for the Successor Term are described below:

(1) You must give us written notice of your election to remain a franchisee at the Heyday Shop not less than 9 months, nor more than 12 months, before the end of the Initial Term or first Successor Term;

(2) You must pay us a Successor Franchise Fee equal to the greater of 25% of the then current initial franchise fee or $12,500 (the "Successor Franchise Fee");

(3) Neither you nor any of your affiliates are in default under this Agreement or any other agreements with us or our affiliates;

(4) You must have the right to remain in possession of the Premises (or, another location acceptable to us) for the Successor Term;

(5) You must renovate and update your Heyday Shop to reflect the then-current image of Heyday Shops;

(6) You must correct any existing deficiencies of your Heyday Shop or in your operation of your Heyday Shop and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your managerial and training personnel and/or your staff (which may involve the payment of training fees);

(7) You must sign, and your owners and all guarantors of your obligations under this Agreement must personally guarantee, our standard form of Franchise Agreement that we are then offering to new franchisees (or the standard form that we most recently offered, if we are not then offering to new franchisees); and

(8) You, and your owners and guarantors of your obligations under this Agreement must sign a general release (substantially similar to the form attached hereto as Exhibit F to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents and employees.

6. ~~5.~~ DEVELOPMENT PROCEDURES

(A) Site Selection.

(11) You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Heyday Shop operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria.

7. ~~6.~~ CONSTRUCTION OF YOUR SHOP

(A) Construction Plans

(1) You are responsible for developing and constructing your Heyday Shop. We will provide to you mandatory and suggested specifications and layouts for a Heyday Shop, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. We may also provide you with suggested architectural drawings. You acknowledge that the layouts and drawings are proprietary to us. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

(2) You must retain our designated architect to develop construction drawings of your Heyday Shop. Required stamped drawings include architectural, mechanical, plumbing and electrical plans. In addition, you must obtain structural and fire protection and any other plans as may be required by your state and local agencies.

(3) You agree to send to us, upon our request, construction plans and specifications or other plans for our review before you begin constructing your Heyday Shop and all revised or "as built" plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor to design and construct your Heyday Shop. We may inspect the Premises while you are developing your Heyday Shop.

(4) Development of your Heyday Shop. You agree to do the following, at your own expense, to develop your Heyday Shop at the Premises:

(a) Retain our Designated Supplier of real estate, construction, and property management services and pay all fees associated with such retention;

(b) ~~(a)~~ secure all financing required to develop and operate your Heyday Shop;

(c) ~~(b)~~ procure insurance coverage for your activities under this Agreement as required by Section 12(G) and the Manual;

(d) ~~(c)~~ obtain all required building, utility, sign, health, sanitation, occupancy, business, and other permits and licenses;

(e) ~~(d)~~ construct all required improvements to the Premises and furnish and decorate your Heyday Shop according to our approved plans and specifications;

(f) ~~(e)~~ obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(g) ~~(f)~~ purchase or lease from Designated Suppliers and Approved Suppliers, and install, all required fixtures, furniture, equipment and interior and exterior signs; and

(h) ~~(g)~~ purchase from Designated Suppliers and Approved Suppliers an opening inventory of authorized and approved products, materials, and supplies necessary to commence operations at your Heyday Shop.

(5) If you build any portion of your Heyday Shop outside of our specifications without receiving our prior written consent, we will have the right to delay the opening of your Heyday Shop until you, at your sole expense, bring the development of your Heyday Shop within full compliance with of our specifications.

(6) Shop Systems. Prior to opening your Heyday Shop, you must purchase and install our required computer, router, network, hardware, and associated software including required appointment and accounting software (the "Shop Systems").

(B) Opening your Heyday Shop. Subject to your compliance with the conditions set forth in this Section 6(B) or as we may otherwise approve, you agree to open your Heyday Shop no later than 18 months after the Effective Date of this Agreement.

(1) We will not authorize the opening of your Heyday Shop unless all of the following conditions have been met:

(2) We are satisfied that your Heyday Shop was constructed and/or renovated and equipped substantially in accordance with our standards and specifications;

(3) You have hired and trained a staff as required by Section 11(B);

(4) You have received a Certificate of Occupancy and all required state and local government certifications, permits, and licenses necessary for the operation of a Heyday Shop, including licenses and certifications for your staff and other personnel;

(5) You (or your Operating Principal as defined in Section 14(D)), your management personnel, and your training personnel (if any) have satisfactorily completed and become certified in our initial training program;

(6) You have paid the Initial Franchise Fee (as defined in Section 7(A)) and any other amounts then due to us;

(7) You have signed all agreements required prior to opening, including, but not limited to, the Lease, the electronic funds transfer documents described in Section 7(U), and any software license agreement(s);

(8) You have complied with our requirements for the Grand Opening Plan as described in Section 9(A);

(9) Neither you nor any of your affiliates are in default under or in violation of any agreements with us, any of our affiliates or any suppliers; and

(10) You have provided to us copies of certificates for all insurance policies required by Section 12(G) or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

8. ~~7.~~ FEES. All fees payable pursuant to this Section 7 shall be retained by the Franchisor prior to its delivery of the Franchisee Share to Franchisee pursuant to Section 7(V).

(A) Initial Franchise Fee. At the same time that you sign this Agreement, you must pay to us an initial franchise fee of $50,000 ("Initial Franchise Fee"). The Initial Franchise Fee is due, and fully earned by us, when you sign this Agreement. The Initial Franchise Fee is not refundable.

(B) Ongoing Royalties. You agree to pay to us, in the manner provided below (or as the Manual otherwise prescribes), a nonrefundable and continuing Royalties ("Royalties") in the amount of seven percent (7%) of the Net Sales of your Heyday Shop for the right to use the System and the Marks.

(C) Site Evaluation Fee. We will not charge a fee for the first site evaluation that we conduct for a particular Heyday Shop, however, if we require, or if you request, any additional on-site evaluations with respect to the same Heyday Shop, you will pay to us, in addition to our travel expenses, a Site Evaluation Fee. The current Site Evaluation Fee is $500 per site evaluation. We may deduct the Site Evaluation Fee from Net Sales prior to our payment of the Franchisee Share to you. An on-site site evaluation is necessary if the information you provide to us is inadequate for us to approve or disapprove of the proposed site.

(D) Reservation License Fee. You will pay us or our designated third party vendor an ongoing Reservation License Fee. Currently, the Reservation License Fee is $600 per quarter. We or our designated third party vendor may increase the Reservation License Fee and/or change the time period for payment of the Reservation License Fee (e.g. monthly) on 30 days written notice to you. We may, in the future, create a Proprietary Software platform to that you are required to use at your Shop. If we create this platform, we will collect up to 2% of your weekly Net Sales in exchange for your right to utilize the platform in lieu of the flat Reservation License Fee. This percentage fee would replace your Reservation License Fee and some or all of your Technology Fee.

(E) Technology Fee. You will pay us an ongoing Technology Fee. The Technology Fee will be collected 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. Currently, the Technology Fee covers ongoing licensing associated with internal/external communications, learning management platforms, recruiting platforms, operational data analytics, and data input/storage. Currently, the Technology Fee is $800 per month. We may increase the Technology Fee and/or change the time period for payment of the Technology Fee (e.g. quarterly) on 30 days written notice to you. We may, in the future, create a Proprietary Software platform to that you are required to use at your Shop. If we create this platform, we will collect up to 2% of your weekly Net Sales in exchange for your right to utilize the platform in lieu of the flat Reservation License Fee. This percentage fee would replace your Reservation License Fee and some or all of your Technology Fee.

(F) Digital Marketing Program Fee. You must participate in our digital marketing program ("Digital Marketing Program"). As of the Issuance Date, we require that you pay us the Digital Marketing Requirement of $3,000 per month, beginning in the fourth (4) month after your Heyday Shop opens. After the one (1) year anniversary of the opening of your Heyday Shop, you will pay us $1,500 per month for the Digital Marketing Requirement. We may thereafter increase the Digital Marketing Requirement upon written notice to you. We will charge an administrative fee of 6%-8% to manage and report the monthly performances of your digital marketing. Digital Marketing efforts will be isolated within your metropolitan statistical area. In the future, we reserve the right to require that the Digital Marketing Requirement funds be paid, in whole or in part, to any Approved Supplier that we designate.

(G) Music License Fee. You will pay an annual Music License Fee to us or to our Approved Supplier of music for your Shop. Currently, the Music License Fee is $225 per year and is paid annually. We or an

Approved Supplier may increase the Music License Fee or payment terms (e.g. monthly) upon 30 days written notice to you.

(H) Client Service Support Team Fee. We may establish a Client Service Support ("CSC") Team in the future. If established, the CSC Team will provide call center, scheduling, customer service, membership support, text communication, and related services to your Heyday Shop. Once established, you shall be obligated to utilize the CSC Team for any services that we designate as CSC Team services. You will be obligated to pay, with respect to your Shop, a pro rata share of the costs, expenses, and fees associated with establishing, operating, and maintaining the CSC Team if and when it is created. The CSC Team Fee may include a fee paid to the Franchisor or its affiliates in exchange for its management and support of the CSC Team

(I) Transaction Processing Fees. We will charge you a fee equal to the 3% of your Credit Card Sales plus $.30 per transaction. This fee will reimburse us for the processing fees incurred in connection with our collection of your Credit Card Sales.

(J) Alternative Suppliers. If you propose to purchase any goods or materials (that you are not required to purchase from us, an affiliate of ours, or an Approved Supplier) from a supplier that we have not previously approved, you must submit to us a written request for such approval, or request the supplier do so. We may require, as a condition of our approval, that our representative be permitted to inspect the supplier's facilities, and that such information, specifications and samples as we reasonably designate be delivered to us and/or to an independent, certified laboratory designated by us for testing prior to granting approval. In connection with inspection, testing, and evaluation of your proposed alternative supplier, we may charge you a Supplier Approval Fee of our actual incurred costs and expenses, up to $5,000. We may, at any time, upon written notice to you revoke our approval of an Approved Supplier. We may revoke such approval for any reason including a decision to consolidate purchases with one or more suppliers and/or an Approved Supplier's failure to maintain quality standards that are consistent with our requirements.

(K) You will pay us a management fee ("Management Fee") if we are obligated, directly or indirectly, to manage your Shop. The Management Fee is in addition to and not in replacement of any other fees that you are obligated to pay us. The current Management Fee we charge you is the greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Shop, or (ii) 10% of the Shop's monthly Gross Sales; plus expenses for travel, lodging, meals, and all other expenses. The Management Fee is payable during any period that our appointed manager manages your Shop. The Management Fee will be in addition to the Royalties and Brand Fund Contributions due to us. We will deduct the Management Fee from Net Sales prior to our payment of your Franchisee Share. We may increase the Management Fee upon thirty (30) days written notice to you.

(L) Resale Program Fee. You will pay us a fee equal to four and one-half percent (4.5%) of the sales price of your Heyday Shop if you sell it to a buyer that we introduced to you.

(M) Insufficient Funds Fee. You will pay us $100 plus our actual costs and expenses for each instance where our collection of amounts due from you is returned for insufficient funds

(N) Gross Sales. "Gross Sales" means all revenue transacted from or during the operation of your Heyday Shop including, but not limited to, membership fees, service fees, product sales, business interruption insurance, and all amounts that you receive at or away from the Premises, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

(O) Net Sales. "Net Sales" means Gross Sales minus: (i) the amount of any documented refunds, charge-backs provided to customers in good faith; (ii) any documented contributions (up to a maximum amount

(5) You must sign and deliver to us the documents we require to authorize us to electronically debit and credit your business checking account automatically ("Electronic Depository Transfer Account" or "EDTA"). Our current form of EDTA documents are attached as Exhibit 3. We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals.

(W) Right of Offset. Franchisor shall have the right to offset any amount owed by Franchisee to Franchisor and/or its affiliates under or in connection with this Agreement against any payments owed by Franchisor to Franchisee under this Agreement or any related agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and applicable law.

9. ~~8.~~ RECORDKEEPING AND REPORTS

(A) Recordkeeping. You must keep and maintain, in accordance with any procedures that we prescribe in the Manual or otherwise, complete and accurate books and records pertaining to your Heyday Shop sufficient to fully report to us. We reserve the right to require that you maintain a fiscal year different than the calendar year and one that is consistent with our fiscal year. You agree that we are authorized to use computerized data capture and retrieval systems that meet our specifications and that all data collected by our data capture and retrieval systems shall belong to us.

(B) Reports and Financial Statements. You must, at your expense, submit to us, in the form prescribed by us, financial and operational reports and records at the times and in the manner specified in the Manual. You also must submit to us, in the form prescribed by us, a profit and loss statement and balance sheet for your Heyday Shop within 60 days after the end of each fiscal year (as defined by us from time to time). You must sign each report attesting that it is true, correct and complete and, with respect to the profit and loss statement, uses accounting principles applied on a consistent basis that accurately and completely reflect your financial condition. We may disclose data derived from your reports, however, upon receipt of a written request from you or if required by law, we will not disclose your identity in any materials that we circulate publicly. If, in our reasonable judgment, your reports are deficient in substance or presentation, we may require that you submit to us year-end financial statements prepared by an independent accountant and/or copies of your federal, state and local income tax returns.

(C) Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must, at your expense, submit to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue, within 3 days of the filing of those reports or schedules or the issuance of those releases.

(D) Our Right to Audit

(1) We have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit your books, records, sales and income tax records and returns, and such other forms, reports, information and data as we reasonably may designate, applicable to the operation of your Heyday Shop (an "Audit"). If any Audit discloses an understatement of Net Sales of your Heyday Shop, you agree to pay to us, within 10 days after receiving the Audit report, the Royalties and Brand Fund contributions due on the amount of the understatement, plus any interest on the understated amounts from the date originally due until the date of payment. If any Audit discloses that you have not expended the greater the requires amount of your Net Sales on Local Marketing (which amount may be modified by us from time to time in accordance with Section 9(B)), you shall contribute to the Brand Fund any amounts that you should have expended to reach the local advertising requirement within 30 days after completion of our audit of your Heyday Shop. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other

information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of your Royalties or Brand Fund contribution (when a percentage of Net Sales is required), that exceeds 2% of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. If our examination reveals an understatement of the Net Sales of your Heyday Shop for any period by 2% or more 3 or more times during any 3-year period, or by more than 5% on any one occasion, then in addition to your obligations in subsection (a) above, we may immediately terminate this Agreement without an opportunity to cure. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

(2) If you fail to give us, on a timely basis, the records, reports and other information required by this Agreement or, upon our request, copies of the same, we or our designee will have access at all reasonable times (and as often as necessary) to your books and records (including those contained on the Shop Systems) for the purpose, among other things, of preparing the required records, reports and other information. You promptly will reimburse us or our designee for all costs and expenses associated with our obtaining and/or preparing such records, reports or other information.

10. ~~9.~~ MARKETING

(A) Grand Opening Plan. You must advertise and promote your Heyday Shop during the 4-month period that begins 2 months prior to opening and continues through 2 months following the opening of your Heyday Shop ("Grand Opening Plan"). Your Grand Opening Plan expenditures must equal or exceed $30,000. The amount that you will be required to spend in your Grand Opening plan is dependent upon whether your Shop is the first to open in a new market and the size of the market. You agree to comply with our guidelines for the Grand Opening Plan, based upon an agreed upon marketing plan, which you must follow as part of the marketing, advertising, and promotion of your Heyday Shop. You must deposit the amount that we agree is needed for your Grand Opening Plan no less than 2 months prior to the date that you will implement your Grand Opening Plan. We will (i) expend some or all of your Grand Opening Plan deposit on digital marketing; and/or (ii) reimburse you for Grand Opening Plan expenditures upon your submission of receipts for approved marketing. You must spend at least the amount that we specify for your Grand Opening Plan; however, you may spend more than the required amount. The Grand Opening Plan expenditure is in addition to the advertising contributions and expenditures that you must make pursuant to Sections 9(C), 9(D) and 9(E) below.

(B) Marketing Contributions and Expenditures. During the Term, you must (1) contribute to the Brand Fund pursuant Section 9(C), (2) make Local Marketing expenditures pursuant to Section 9(D) and 9(E); and (3) contribute to the Regional Co-op pursuant to Section 9(F) if a Regional Co-op has been established in the Designated Market Area ("DMA") in which your Heyday Shop is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund and the amount you spend for Local Marketing.

(C) Brand Fund

(1) We have established an advertising and marketing fund ("Brand Fund") for the enhancement and protection of the System and the Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate. We currently charge you a Brand Fund contribution of one percent (1%) of Net Sales. Your required Brand Fund contribution will not exceed three percent (3%) of the Net Sales of your Heyday Shop. The Brand Fund contribution will be payable in the same manner as the Royalties. Heyday Shops operated by us and our affiliates also will contribute to the Brand Fund on the same basis as comparable franchisees. From time to time, we or our suppliers may deposit into the Brand Fund rebates or similar allowances paid to us by our suppliers although we have no obligation to do so.

(1) We may, in our sole discretion, establish a regional advertising cooperative ("Regional Co-op") in any DMA. The Regional Co-op shall be organized and governed in a form and manner and shall commence operations on a date, approved in advance by us in writing. We may, if we so elect, prepare bylaws to be used by the Regional Co-op and may require the Regional Co-op to incorporate. Once a Regional Co-op is established in a DMA in which your Heyday Shop is located, you shall become a member of such Regional Co-op and be required to contribute to the Regional Co-op as determined by its members no later than 30 days after the date on which the Regional Co-op commences operation. In no event shall you be required to be a member of more than one Regional Co-op with respect to your Heyday Shop. You shall submit your Co-op Contribution to the Regional Co-op monthly, together with such statements or reports as may be required by us (or by the Regional Co-op with our prior written consent). Monies in the Regional Co-op may be spent for the purposes determined by a majority vote of the Regional Co-op.

(2) Each Regional Co-op shall be organized, if at all, for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by its members in local advertising. All advertising, marketing and promotions shall be submitted to us prior to first use as provided in Section 9(D)(3), and shall adhere to the standards set forth in Section 9(D)(4).

(3) We shall be a member of the Regional Co-op and be entitled to attend and fully participate in Regional Co-op meetings; however, we shall not have a vote unless we or our affiliates operate a Heyday Shop in the area covered by the Regional Co-op. If the members of the Regional Co-op are unable or fail to determine the manner in which Regional Co-op monies should be spent, we may assume this decision-making authority following 10 days' advance written notice to the members of the Regional Co-op. We, or our designee, may grant to any franchisee an exemption for any length of time from the requirement of membership in any Regional Co-op, upon written request of such a franchisee stating reasons supporting an exemption. Decisions regarding a request for exemption shall be final. We or our designee shall have the right to terminate (and subsequently restart) any Regional Co-op. Upon termination, all monies in that Regional Co-op shall be spent for advertising and/or promotional purposes.

(G) Loyalty Program. We may operate a customer loyalty program that awards customers loyalty points upon the occurrence of certain events. These points may be used by customers in exchange for discounted or free services and retail products at your Heyday Shop. You must participate and pay the fees associated with any Loyalty Program that we implement.

(H) Telephone Communication. You will not maintain a Shop specific, unique telephone number with respect to your Heyday Shop. We will maintain a single toll-free phone line to which all requests for information, services, customer service, media, or other inquiries will be directed. You may have access to a Voice Over Internet Protocol ("VOIP") line from which you will be able to communicate with customers. All business telephone numbers, directory listings and customer information will be retained by us upon expiration and termination of the Franchise Agreement. You may not utilize any telephone numbers, other than the numbers we identify and designate, in connection with your operation of the Heyday Shop

11. ~~10.~~ MANUAL

(A) We will loan you during the term of this Agreement, or make available to you via other means (internet, intranet, etc.) one copy of our Manual, which may include electronic media, and information distributed electronically and/or written materials or allow you access to the Manual. The Manual contains the System Standards, which include mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Heyday Shop and information on your other obligations under this Agreement. We may modify the Manual periodically to reflect changes in System Standards.

(B) You agree to keep your copy (or access) of the Manual and/or any passwords and/or log-in information with respect to web-based or electronic copies thereof current and in a secure location at your Heyday Shop. If there is a dispute over the contents of the Manual, our master copy of the Manual controls. You agree that the contents of the Manual are confidential and that you will not disclose the Manual to any person other than employees of your Heyday Shop who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual. If your copy of the Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy from us, for which we may charge you our then applicable printing or copying charge. This charge is for our direct costs, and is not related to any value that we place on the Confidential Information (defined in Section 18(A). below).

(C) At our option, we may post some or all of the Manual on a restricted Website (intranet or extranet) to which you will have access. If we do so, you agree to monitor and access the Website for any updates to the Manual or System Standards. Prior to accessing any online training instructional system, you must agree to abide by our terms of use, which we may revise from time to time. Any passwords or other digital identifications necessary to access the Manual on a website, intranet, extranet or other online training instructional system will be deemed to be part of the Confidential Information.

12. ~~11.~~ TRAINING AND ASSISTANCE

(A) Initial Training Program

(1) Three or four months before you open your Heyday Shop, you (or the Operating Principal of Franchisee if Franchisee is an entity) and your Shop Educator must complete, to our satisfaction and certification, our initial training program, which will address the material aspects of operating a Heyday Shop. If you obtain an operating Heyday Shop by transfer from another Heyday Shop franchisee, you must complete this initial training program before you begin operating that business as a Heyday Shop. We will provide the initial training program at our corporate headquarters in New York, New York, a designated training facility of our choice and/or at an operating Heyday Shop. You agree to pay for all travel, living and other expenses which you (or your Operating Principal) and your employees incur and for your employees' wages and workers' compensation insurance while they attend the initial training program.

(2) We do not charge a fee for providing the initial training program to you, your Operating Principal and your Shop Educator who will be responsible for training your staff. Additional people may attend the Initial Training Program, subject to availability if you pay a fee $1,000 per additional person attending the Initial Training Program (the "Additional Initial Training Program Fee"). If any individual who is required to receive our certification fails to successfully complete the initial training program and receive our certification, then that individual may repeat the program or you may send a substitute to complete the next available program. We reserve the right to charge you a fee for providing any subsequent training program to these individuals or for training any of your substitute personnel.

(3) All of your managerial and training personnel must receive our certification, prior to managing your Heyday Shop or training your staff. We may, at any time during the term of this Agreement, decertify any previously certified individual if we learn or determine that a person is no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete training or a re-training program to receive our certification.

(B) Training by You

(1) You must conduct such initial and continuing training programs for the staff of your Heyday Shop as we may require from time to time, including those training programs required in order for your staff members to be certified for the position(s) for which each staff member was hired. We will authorize you to

However, should you replace the Shop Educator, the newly hired Shop Educator must attend our training and you will pay us $2,500 per training session. Once selected, the Shop Educator will receive approximately 120 hours of training which should be conducted in one of our corporate Shops and in your local market Shop.

(F) General Guidance. We will provide ongoing advice and consultation to you regarding the operation of your Heyday Shop through the Manual, bulletins or other written materials, electronic media, telephone, and in person.

13. ~~12.~~ SYSTEM STANDARDS

(A) Compliance with System Standards

(1) You acknowledge that each and every detail of the appearance, layout, décor, cleanliness, safety standards, services and operation of your Heyday Shop is essential to us and to other Heyday Shop franchisees to preserve the goodwill of the Marks and all Heyday Shops. You agree to cooperate with us by operating and maintaining your Heyday Shop safely and securely and according to all of our System Standards (whether contained in the Manual or another written communication to you), as we periodically modify and supplement them. You agree that System Standards we prescribe in the Manual, or otherwise communicate to you in writing or another tangible form (for example, via a website, intranet or extranet), are part of this Agreement as if fully set forth within its text.

(2) We periodically may modify the System (including System Standards) and these modifications may obligate you to invest additional capital in your Heyday Shop and/or incur higher operating costs. We may require you to integrate new, updated services and products into your Heyday Shop. You agree to accept, integrate and use or display in your Heyday Shop any such changes or modifications to the System as if they were a part of the System at the time this Agreement was executed, and you agree to make such expenditures as the changes or modifications in the System may reasonably require. This includes but is not limited to refurbishing or remodeling the Premises or any other aspect of your Heyday Shop, hiring additional personnel, buying new equipment, adding new services and products, or otherwise modifying the nature of your operations, as if those changes or modifications were part of the System as of the Effective Date.

(3) If you or your owners, employees, designees, or independent contractors develop any new concepts, treatments, services, products, processes or improvements relating to the System, you promptly shall notify us and provide us with all information regarding the new concept, treatments, services, products, processes or improvements, all of which shall become our property and which may be incorporated into the System as a "work made for hire" without any payment to you or your owners, employees, designees or independent contractors. If any designee or independent contractor develops any new concepts, processes or improvements relating to the System on your behalf, you shall obtain covenants that you own (as a "work made for hire") such concepts, processes or improvements (and all components) and have the right to transfer to us such concepts, processes or improvements. You, at your own expense, promptly shall take all actions deemed necessary or desirable by us to vest in us ownership of such concepts, processes or improvements. To the extent that any item does not qualify as a "work made-for-hire" for us, by this Section you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. We will make no payment to you for any such item, or for our subsequent use (or our franchisees' subsequent use) of such item.

(4) Approved Products, Services, Distributors and Suppliers

(a) You acknowledge that the reputation and goodwill of Heyday Shops are based upon, and can only be maintained by, the delivery of high quality services and products under the Marks. You programs, financial systems, maintenance and necessary repairs of your Heyday Shop. A report and score may be generated as part of the Inspection. A copy of the report and score will be provided to you as well as to the Heyday Franchise corporate office. A failing score on an Inspection shall be a default of the Franchise Agreement and, subject to the terms of Section 19(B), be grounds for termination of the Franchised Agreement.

(J) Pricing. We may periodically impose a maximum price that you may charge for services or products. If we impose such a maximum price for any service or product, you may charge any price for the product or service up to and including the maximum price we impose.

14. ~~13.~~ MARKS

(A) Ownership and Goodwill. Your right to use the Marks is derived only from this Agreement and is limited to your operating your Heyday Shop at the Premises according to this Agreement and all System Standards we prescribe during the term of this Agreement. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Heyday Shop under this Agreement). You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

(B) Limitations on Your Use of Marks.

(1) You agree to use the Marks as the sole identification of your Heyday Shop, except that you agree to identify yourself as its independent operator in the manner we prescribe. Unless you obtain our prior written consent, you may not use any Mark, any derivatives of the Marks or similar mark: **(a)** as part of any corporate or legal business name; **(b)** with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); **(c)** in selling any unauthorized services or products; or **(d)** in any other manner that we have not expressly authorized in writing.

(2) You may not use any Mark in advertising the transfer, sale, or other disposition of your Heyday Shop or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at your Heyday Shop and on forms, advertising, supplies, and other materials we designate. You must ensure that the Marks bear the "®", "™", or "SM" symbol, as we prescribe from time to time. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

(C) Use of Marks on Internet. You may not use the Marks on any Internet domain name, e-mail address, Internet Website, or social media platform without our prior written consent. We may grant or withhold our consent in our sole discretion We may, upon written notice to you, require you to retain a Designated Supplier of social media, public relations, and digital marketing services ("Social Media Services"). There may be a fee payable to such Designated Supplier in connection with Social Media Services. You will be required to retain and utilize such Designated Supplier(s) upon written notice from us.

(D) Notification of Infringements and Claims. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

(E) Discontinuance of Use of Marks. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute Marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your Heyday Shop' signs or any printed collateral, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

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

15. ~~14.~~ YOUR ORGANIZATIONAL STRUCTURE

(A) Representations.

(1) If you are a corporation, a limited liability company or a partnership ("Entity"), you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of formation; (b) you are qualified to do business in the state, county, and city in which your Heyday Shop is located; (c) execution of this Agreement and the development and operation of your Heyday Shop is permitted by your governing documents; (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement must at all times provide that your activities are limited to the development and operation of Heyday Shops and other businesses operated by you that are franchised by us or our affiliates; and (e) all interests in you are owned as set forth in attached Exhibit 4; (f) each person owning 5% interest in Franchisee has executed a guaranty agreement (Exhibit 5) undertaking to be bound by the provisions of the Franchise Agreement.

(2) If you are an individual, a group of individuals, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has signed this Agreement; (b) each individual will be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer for convenience of ownership, each individual will continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

(B) Governing Documents. If you are an Entity, then you must provide to us copies of your organizational and governing documents ("governing documents"). When any of these governing documents are modified or changed, you must promptly provide copies to us. You must maintain a current list of all of your owners, members or partners (and the percentage ownership of each owner, member or partner). You must comply with Section 16(B). prior to any change in ownership interests and sign and deliver to us a revised Exhibit 4 to reflect any permitted changes in the information that Exhibit 4 now contains. If you are an Entity, you must maintain stop -transfer instructions against the transfer on your records of any voting securities, membership interests or ownership interests. If you are a publicly-held corporation these requirements will apply only to the stock owned by your shareholders who have an ownership interest in you in excess of 10%.

(C) Personal Guaranty. Each of your owners who hold an ownership interest in you of more than 5% at any point during the term of this Agreement must sign a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached as Exhibit 5. As required by applicable law, your spouse will be required to sign the Guaranty or consent to your execution of it.

(D) Operating Principal.

(1) If you are owned by more than one individual or you are an Entity, you must designate and retain an individual (which may be one of your owners) to serve as your Operating Principal. The Operating Principal as of the date of this Agreement is identified in Exhibit 4. The Operating Principal, at all times, must have at least a 20% equity ownership interest in you and must be responsible for overseeing and supervising the operation of your Heyday Shop. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person that we will recognize as having authority to communicate for and on your behalf. You may not change the Operating Principal without our prior written consent.

(2) The Operating Principal must successfully complete and receive our certification in our initial training program and any additional training that we require. The Operating Principal must devote full-time and best efforts to supervising the operation of your Heyday Shop and those other businesses (that are franchised by us or our affiliates) operated by you in the same geographic area as your Heyday Shop and must not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility. The Operating Principal must maintain her primary residence within a reasonable driving distance of your Heyday Shop.

(3) If the Operating Principal no longer qualifies as such, you must designate another qualified person to act as Operating Principal within 30 days after the date the prior Operating Principal ceases to be qualified. Your designee to become the Operating Principal must successfully complete our initial training program and any additional training we require within 30 days after being designated as your Operating Principal.

(4) If your Operating Principal does not meet our qualifications and requirements, you will be required, prior to opening your Heyday Shop for business, to retain a Business Manager that meets our qualifications and requirements. Our qualifications and requirements are identified in our Manual.

(E) Business Manager. Your Business Manager must devote full time and best efforts to the management and supervision of your Heyday Shops and must not engage in any other business or activity, other than operation of your Heyday Shops that requires substantial management responsibility. The Business Manager must be approved by us and must successfully complete and be certified in our training programs. If the Business Manager no longer qualifies as such, you must designate another qualified person to act as Business Manager within 30 days after the date the prior Business Manager ceases to be qualified. Your designee to become the Business Manager must successfully complete and be certified by us in the initial training program and any additional training that we require within 30 days after being designated as your Business Manager.

16. ~~15.~~ TRANSFER BY US. We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

17. ~~16.~~ TRANSFER BY YOU

(A) Transfer Generally. You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual or Entity which directly or indirectly controls you may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in you, this Agreement, the Franchise, your Heyday Shop, the Assets of your Heyday Shop, the Premises, the Lease or any other assets pertaining to your operations under this Agreement (collectively "Transfer") without our prior written consent. Except as otherwise provided in this Agreement, any purported Transfer, by operation of law or otherwise, not having our prior written consent will have no effect with regard to us and will constitute a material breach of this Agreement, for which we may terminate this Agreement without providing you an opportunity to cure the breach.

(B) Conditions for Approval of Transfer.

(1) You must advise us in writing of any proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee, a copy of all contracts and all other agreements or proposals, and all other information requested by us, relating to the proposed Transfer. Along with that required information, you must pay to us a transfer fee equal to 50% of our then-current Initial Franchise Fee if transferring to an existing Heyday franchisee; 75% of our then-current Initial Franchise Fee, if transferring to a new franchisee ("**Transfer Fee**"). The Transfer Fee is non-refundable, however, if the proposed Transfer transaction does not close, then we shall apply the Transfer Fee against the transfer fee for any subsequent Transfer that you close within the 12-month period following your initial Transfer application. If we do not exercise our right of first refusal (as set forth in Section 16(G)), the decision as to whether or not to approve a proposed Transfer will be made by us in our sole discretion and will include numerous factors deemed relevant by us. These factors may include, but will not be limited to, the following:

(2) the proposed transferee meets our then-current standards for new franchisees and has sufficient business experience, aptitude, and financial resources to operate your Heyday Shop;

(3) you have paid all amounts owed to us, our affiliates, and third party vendors and suppliers, have submitted all required reports and statements, and are not in violation of this Agreement;

(4) neither the proposed transferee nor its owners or affiliates have an ownership interest (direct or indirect) in or perform services for a Competing Business (as defined in Section 18(B)(1));

(5) the proposed transferee (or its Operating Principal) satisfactorily completes our initial training program (and any other required training programs we require) and pays any then-current training fees;

(6) the proposed transferee has demonstrated an ability to obtain possessory rights in the Premises;

reasonably be expected to furnish the same consideration as the third-party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, we will designate, at our expense, an independent appraiser, and the appraiser's determination will be final. Any material change in the terms of the offer from a third party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer.

(2) If a Transfer to which our right of first refusal applies is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 30 days after our notice to the transferor of the appraisers' determination of fair market value.

(3) If we elect not to exercise our rights under this Section 16(G), the transferor may complete the Transfer after complying with this Section 16. Closing on the Transfer must occur within 60 days of our election (or such longer period as applicable law may require); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. The Transfer is conditional upon our determination that the Transfer was completed on terms substantially the same as those offered to us. You must provide to us copies of all fully-executed agreements and any other information we request relating to the Transfer.

(H) Public Offering. Securities or partnership interests in you may be sold, by private or public offering, only with our prior written consent (whether or not our consent is required under any other provision of this Section), which consent will not be unreasonably withheld. In addition to the requirements of Section 16(B), prior to the time that any public offering or private placement of securities or partnership interests in you is made available to potential investors, you at your expense, must deliver to us a copy of the offering documents. You, at your expense, also must deliver to us an opinion of your legal counsel and an opinion of one other legal counsel selected by us (both of which shall be addressed to us and in a form acceptable to us) that the offering documents properly use the Marks and accurately describe your relationship with us and/or our affiliates. The indemnification provisions of Section 23 shall also include any losses or expenses incurred by us and/or our affiliates in connection with any statements made by or on behalf of you in any public offering or private placement of your securities.

18. ~~17.~~ GENERAL RELEASE. You (on behalf of yourself and your subsidiaries and affiliates), all individuals who execute this Agreement and all guarantors of your obligations under this Agreement (collectively "Franchisee Releasors") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "Heyday Franchise Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively "Released Claims"), which you or any Franchisee Releasor now own or hold or may at any time have owned or held, including, without limitation, Released Claims arising under federal, state and local laws, rules and ordinances, and Released Claims arising out of, or relating to this Agreement and all other agreements between you or any Franchisee Releasor and any Heyday Franchise Releasee, the sale of a franchise to you or any Franchisee Releasor, the development and operation of your Heyday Shop and the development and operation of all other Heyday Shops operated by you or any Franchisee Releasor that are franchised by any Heyday Franchise Releasee. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document or its exhibits or otherwise impair or affect any Released Claims arising after the date of this Agreement. You (on behalf of the Franchisee Releasors) expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived, to the extent applicable. That Section reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HER FAVOR

AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HER SETTLEMENT WITH THE DEBTOR.

19. ~~18.~~ COVENANTS

(A) Confidential Information. During and after the Term, you may not communicate, divulge or use for any purpose other than the operation of your Heyday Shop any Confidential Information, knowledge, trade secrets or know-how which may be communicated to you or which you may learn by virtue of your relationship with us ("Confidential Information"). You may divulge Confidential Information only to your professional advisers and to your employees who must have access to the information to operate your Heyday Shop. All Confidential Information, relating to us, our business plans, or the System are deemed confidential for purposes of this Agreement, except information that you can demonstrate came to your attention by lawful means prior to our disclosure; or which, at the time of our disclosure to you, had become a part of the public domain. You must require your Operating Principal and key employees and any other person or entity you wish to disclose any Confidential Information to sign agreements, in a form acceptable to us, that they will maintain the confidentiality of the disclosed information. The agreements must identify us as a third-party beneficiary with the independent right to enforce the agreements.

(B) Restrictions.

(1) You acknowledge and agree that: **(a)** pursuant to this Agreement, you will have access to the Confidential Information; **(b)** the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; **(c)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among Heyday Shops if our franchisees were permitted to hold interests in "**Competing Businesses**" (which are defined as businesses that sell or provide skincare services and retail skincare products). You acknowledge that restrictions on your right to hold interests in, or perform services for Competing Businesses will not hinder your activities. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive you of your personal goodwill or ability to earn a living.

(2) You therefore agree that, during the term of this Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, you and your owners will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(a) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business; or

(b) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any Heyday Shop to a Competing Business.

(3) For purposes of this Agreement, the term "Restricted Period" shall be two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement

expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end six (6) months from the date the Franchise Agreement expires or is terminated.

(4) During the term of this Agreement, there is no geographical limitation on the restrictions contained in this Section 18(B). During the Restricted Period, these restrictions will apply at the Premises; within the Protected Area; within a 5-mile radius of the outer boundaries of the Protected Area; and within 5 miles of any other Heyday Shop in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement (the "Restricted Area"); or (ii) the date on which all persons restricted by Section 18(B) begin to comply with Section 18(B).

(5) If, at any time during the Restricted Period, you or your owners fail to comply with your obligations contained in this Section 18(B), that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 18(B). These restrictions also apply after Transfers, as provided in Section 16(B)(12) above. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 18(B).

(6) If any restriction in this Section 18(B). is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable.

(7) You agree to obtain similar covenants from the personnel and persons we specify, including your officers, directors, managers and other employees who attend our training programs or have access to Confidential Information and your immediate family members (which include spouses and domestic partners and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure). We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

20. ~~19.~~ TERMINATION

(A) Termination by Franchisor Without Cure Period. In addition to the grounds for termination that may be stated elsewhere in this Agreement, we may terminate this Agreement and the rights granted by this Agreement, upon written notice to you without an opportunity to cure upon the occurrence of any of the following events:

(1) You: (i) do not locate, and sign a Lease or acquisition document for, a site approved by us for the Premises; or (ii) comply with the terms of Section 6(B) within 18 months of the Effective Date of this Agreement;

(2) you do not open your Heyday Shop within the time period prescribed in Section 6(B);

(3) you abandon or fail actively to operate your Heyday Shop for a period of three (3) or more consecutive days, unless you close your Heyday Shop for a purpose we approve in writing or because of Force Majeure, as defined in Section 25(C);

(4) you become insolvent; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the

(17) You fail to maintain all insurance policies required by Section 12(G) of this Agreement and/or you allow or communicate your intent to allow any policy of insurance required by this Agreement to expire, lapse, cancel or terminate; or

(18) If you have received two (2) or more notices of default within the previous 12-month period, we may send you a notice of termination upon your next default within that 12-month period without providing you an opportunity to remedy the default.

(B) Termination Following Expiration of Cure Period

(1) Except for those items listed in preceding Section 19(A) or 19(B)(2), you will have 30 days after written receipt of notice of default from us within which to remedy any default and provide evidence of that remedy to us. If any default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing. Notwithstanding the foregoing, if the default cannot be corrected within 30 days, you will have such additional time to correct the default as reasonably required (not to exceed 90 days) provided that you promptly begin taking the actions necessary to correct the default during the 30-day cure period and diligently and in good faith pursue those actions to completion. You will be in default under this Section 19(B)(1) for any failure to materially comply with any of the requirements imposed by this Agreement, the Manual or otherwise in writing, or to carry out the terms of this Agreement in good faith.

(2) Notwithstanding the provisions of preceding Section 19(B)(1), if you default in the payment of any monies owed to us or our affiliates when such monies become due and payable and you fail to pay such monies within five (5) days after receiving written notice of default or immediately if payment has not been made within 30 days of its due date, then this Agreement will terminate effective immediately upon expiration of that time, unless we notify you otherwise in writing.

(3) Termination Following Inspection. We (or our designee) may periodically conduct inspections of your Heyday Shop to evaluate your compliance with the System and this Agreement. Following each Inspection, we will provide to you an Inspection report and Inspection score on the Inspection and those conditions at your Heyday Shop that must be rectified. If you fail to achieve a passing score on an Inspection, the Inspection report will constitute a notice of default. If you fail to achieve a passing score on the next Inspection (which we will conduct at least 30 days after your receipt of the Inspection report for the prior Inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the Inspection report.

21. ~~20.~~ OBLIGATIONS UPON TERMINATION OR EXPIRATION

(A) Your Obligations. Upon termination or expiration of this Agreement:

(1) The rights granted to you in the Protected Area immediately will terminate, and we will have the right to operate, or license others to operate, Heyday Shops anywhere in the Protected Area;

(2) You and your owners must continue to abide by the covenants in Section 18;

(3) Within 15 days, or on any later date that we determine the amounts due to us, you must pay to us and our affiliates all sums due and owing to us and our affiliates;

(4) You must immediately discontinue all use of the Marks in connection with your Heyday Shop and of any and all items bearing the Marks; remove the Marks from your Heyday Shop and from clothing, signs, materials, motor vehicles and other items owned or used by you in the operation of your Heyday Shop;

cancel all advertising for your Heyday Shop that contains the Marks; and take such action as may be necessary to cancel any filings or registrations for your Heyday Shop that contain any Marks. You must comply with this Section 20(A). before any items bearing the Marks are offered for sale or auction by you or your Franchisors or lienholders;

(5) You must immediately cease using any of our Confidential Information (including the Shop Systems or similar technology and digital passwords and identifications that we have licensed or loaned to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us the Shop Systems, your client list, your telephone numbers, your email addresses, your social media pages, all copies of the Manual, and any other confidential materials that we have loaned you;

(6) Within 30 days, you must deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark, or otherwise identifying or relating to a Heyday Shop that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from Heyday Shop;

(7) You agree to promptly notify social media platforms, and internet service providers of the termination or expiration of your right to use any URLs and domain names, or other numbers, names associated with any Mark; to authorize the transfer of these listings to us or to a third party, at our direction; and/or to instruct the domain name registries and internet service providers to forward all calls, e-mails and electronic communications made to names, numbers or addresses we specify; and

(8) If we do not have or do not exercise an option to purchase the Assets of Heyday Shop under Section 21 below, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish your Heyday Shop clearly from its former appearance and from other Heyday Shops in order to prevent public confusion. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort.

(B) Evidence of Compliance. You must furnish to us, within 30 days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by you or by your chief executive officer if you are a corporation; by your manager, if you are a limited liability company; or by your general partner, if you are a partnership) satisfactory to us of your compliance with Sections 20(A).

(C) Prohibition from Engaging in Future Conduct. Upon termination or expiration of this Agreement and your satisfaction of the covenants set forth in Section 18, you agree that you will not, except with respect to a business franchised by us or our affiliates which is then open and operating pursuant to an effective franchise agreement: (1) operate or do business under any name or in any manner that might tend to give the public the impression that you are connected in any way with us or our affiliates or have any right to use the System or the Marks; (2) make, use or avail yourself of any of the materials or Confidential Information furnished or disclosed by us or our affiliates under this Agreement or disclose or reveal any such materials or Confidential Information or any portion of those materials or Confidential Information to anyone else; or (3) assist anyone not licensed by us or our affiliates to construct or equip a business substantially similar to a Heyday Shop.

(D) Continuing Obligations. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding the expiration or termination and until the obligations are satisfied in full or by their nature expire.

(E) No Exclusive Remedy. No right or remedy conferred upon or reserved to us in this Section 20 is exclusive of any other right or remedy provided or permitted by law or equity.

22. ~~21.~~ OUR OPTION TO PURCHASE CERTAIN ASSETS OF YOUR HEYDAY SHOP

(A) Scope. Upon the expiration or termination of this Agreement for any reason, we will provide written notice to you, within 30 days after the effective date of termination or expiration, if we intend to exercise our option to purchase from you some or all of the Assets. As used in this Agreement, the term "Assets" means and includes, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in your Heyday Shop, real estate interests (including the fee simple rights or the Lease), and any licenses necessary to operate your Heyday Shop. We will have the unrestricted right to assign this option to purchase the Assets. We or our assignee will be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise.

(B) Purchase Price. The purchase price for the Assets ("Purchase Price") will be their fair market value (or, for leased assets, the fair market value of your Lease), determined as of the effective date of purchase in a manner that accounts for customary depreciation and condition of the Assets; provided, however, that the Purchase Price will take into account the termination of this Agreement. Further, the Purchase Price for the Assets will not contain any factor or increment for any of the Marks, or other trademarks, service marks or commercial symbols used in connection with the operation of your Heyday Shop nor any goodwill or "going concern" value for your Heyday Shop. We may exclude from the Assets purchased in accordance with this Section any equipment, vehicles, furnishings, fixtures, signs, and inventory that are not approved as meeting then-current standards for a Heyday Shop or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

(C) Certified Appraisers. If we and you are unable to agree on the fair market value of the Assets within 30 days after your receipt of our notice of our intent to exercise our option to purchase the Assets, the fair market value will be determined by two professionally certified appraisers, one selected by you and one selected by us. If the valuations set by the two appraisers differ by more than 10%, the two appraisers will select a third professionally certified appraiser who also will appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) will be conclusive and will be the Purchase Price. The appraisers will be given full access to your Heyday Shop, the Premises and your books and records during customary business hours to conduct the appraisal and will value the Assets to be purchased in accordance with the standards of this Section 21. The appraisers' fees and costs will be borne equally by you and us.

(D) Exercise of Option. Within 10 days after the Purchase Price has been determined, we may exercise our option to purchase the Assets by so notifying you in writing ("Purchase Notice"). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which will take place no later than 60 days after the date of the Purchase Notice. For a period of 30 days after the date of the Purchase Notice ("Due Diligence Period"), we will have the right to conduct such investigations as we deem necessary and appropriate to determine: (1) the ownership, condition and title of the Assets; (2) liens and encumbrances on the Assets; (3) environmental and hazardous substances at or upon the Premises; and (4) the validity of contracts and liabilities inuring to us or affecting the Assets, whether contingent or otherwise. You will give us and our representatives access to your Heyday Shop and the Premises at all reasonable times for the purpose of conducting inspections of the Assets; provided that such access does not unreasonably interfere with your operations of your Heyday Shop. Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title search, lien search, survey, environmental assessment or inspection. If you cannot or elect not to correct any such title defect, environmental objection, defect in the working condition of the Assets or any other objection, we will have the option to either accept the condition of the Assets as it exists or rescind our Purchase Notice, on or before the Closing.

(E) Premises Leased. If the Premises are leased, you agree to use reasonable efforts to effect a termination of the existing Lease for the Premises. If the Lease for the Premises is assigned to us or we sublease the Premises from you, we will indemnify and hold you harmless from any ongoing liability under the Lease from the date we assume possession of the Premises, and you will indemnify and hold us harmless from any liability under the Lease prior to and including that date.

(F) Premises Owned by You. If you own the Premises, we, at our option, may purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with you on terms comparable to those for which similar commercial properties in the area are then being leased; or remove the Assets from the Premises in a manner consistent with the Lease Agreement. The initial term of the Lease between you and us under such circumstances must be at least 10 years, and the rent must be the fair market rental value of the Premises. If you and we cannot agree on the fair market rental value of the Premises, then local real estate appraisers (selected in the manner described in Section 21(C)) will determine the rental value.

23. ~~22.~~ RELATIONSHIP OF THE PARTIES

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

(B) No Liability for Acts of Other Party. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of your operation of your Heyday Shop or the business you conduct under this Agreement.

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

24. ~~23.~~ INDEMNIFICATION

(A) You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees ("Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of your Heyday Shop, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those claims alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction.

(B) For purposes of this Section 23, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any claims subject to this Section 23.

(C) This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section 23. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 23.

25. ~~24.~~ SEVERABILITY AND CONSTRUCTION

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

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

(C) No Third Party Beneficiaries. Except as otherwise provided in Section 23, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than us and you as the parties to this Agreement and our affiliates and such of our heirs, successors and assigns, any rights or remedies under or by reason of this Agreement.

(D) Interpretation. No provision of this Agreement should be interpreted in favor of, or against any party because of the party that drafted this Agreement.

(E) Our Discretion. Whenever we have expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests. This also applies if we are deemed to have a right and/or discretion. Our judgment of what is in the best interests of the System, at the time our decision is made or its right or discretion is exercised, can be made without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by us; (2) our decision or the action taken promotes our financial or other individual interest; (3) our decision or the action taken applies differently to you and one or more other franchisees or our company-owned or affiliate-owned operations; or (4) our decision or the action taken is adverse to your interests. We will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations under this Agreement.

26. ~~25.~~ CONSENTS, APPROVALS AND WAIVERS

(A) Consents. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us for that approval or consent, and any approval or consent received, in order to be effective and binding upon us, must be obtained in writing and be signed by one of our authorized officers.

(B) Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice. We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) because of: any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Heyday Shops; the existence of agreements for other Heyday Shops which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction.

(C) Variance by Reason of Force Majeure. If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties will be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure must give prompt written notice of such Force Majeure event to the other party by setting forth the nature of the Force Majeure and an estimate as to its duration. As used in this Agreement, the term "Force Majeure" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. Your inability to obtain financing (regardless of the reason) may not constitute Force Majeure.

27. ~~26.~~ ENTIRE AGREEMENT. We and you acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, you and we will deal with each other in good faith. This Agreement and its attachments, the Manual, and the documents referred to in this Agreement constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and its attachments, the Manual, and the documents referred to in this Agreement (including our Franchise Disclosure Document). No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Except as expressly set forth in this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by you and us and executed in writing.

28. ~~27.~~ ENFORCEMENT

(A) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 27(A) will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(B) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, provided, however, that: (1) the provisions of Section 18 shall be interpreted and construed under the laws of the jurisdiction in which your Heyday Shop is located.

(C) Consent to Jurisdiction and Venue. You and we agree that, to the extent any disputes cannot be resolved directly between us, you will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your Heyday Shop is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(D) Waiver of Certain Damages and Rights. You and we waive, to the fullest extent permitted by law, any right or claim of any punitive or exemplary damages against each other and agree that, in the event of a dispute between us, we each will be limited to the recovery of actual damages sustained. You and we waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits and the right to trial by jury.

(E) Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(F) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 27 shall survive the expiration or earlier termination of this Agreement.

(G) Limitations of Claims. Any and all claims and actions arising out of or relating to this Agreement, the relationship between you and us, or your operation of your Heyday Shop, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions will be irrevocably barred. Our claims attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(H) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

29. ~~28.~~ MISCELLANEOUS

(A) Gender and Number. All references to gender and number will be construed to include such other gender and number as the context may require.

(B) Captions. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

(C) Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original.

(D) Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted will be the day or month of the designated action, event or notice. Days will be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically will be extended to the next day that is not a Saturday, Sunday or national holiday.

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

(F) Compliance with Anti-Terrorism Laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the rules, orders and guidelines promulgated by the Office of Foreign Assets Control ("OFAC") and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement, as provided in Section 19(A)(14) above.

30. ~~29.~~ NOTICES AND PAYMENTS. No notice, demand, request or other communication to the parties will be binding upon the parties unless the notice is in writing, refers specifically to this Agreement and: (A) if to us, is sent to 100 Crosby Street, Suite 404, New York, New York 10012(Attn: Legal Department); or (B) if to you, is sent to the address and to the individual specified on Exhibit 4 or is sent to the Premises of your Heyday Shop. Any party may designate a new address for notices by giving written notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first refusal of delivery) and may be: (1) delivered personally; (2) transmitted by facsimile or electronic mail to the e-mail address(es) or number(s) set forth above (or in Exhibit 4) with electronic confirmation of receipt; (3) mailed in the United States mail, postage prepaid, certified mail, return receipt requested; or (4) mailed via overnight courier.

31. ~~30.~~ ACKNOWLEDGMENTS. You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgements and warranties will survive termination of this Agreement) that:

(A) you have independently investigated the Heyday Shop franchise opportunity and recognize that, like any other business, the nature of the business of Heyday Shops may, and probably will, evolve and change over time;

(B) an investment in a Heyday Shop involves business risks that could result in the loss of a significant portion or all of your investment;

(C) your business abilities and efforts are vital to your success;

(D) attracting customers for your Heyday Shop will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising, and display and use of in-store promotional materials;

(E) you must maintain a high level of customer service, and adhere strictly to the System and our System Standards, and that you are committed to maintaining System Standards;

(F) you have not received from us or any person or entity representing or claiming to represent us, and you are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Heyday Shop, and that any financial information that may appear in our Franchise Disclosure Document is not a representation or guarantee as to potential volume, sales, income, or profits that you may achieve at a Heyday Shop;

(G) in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

EXHIBIT 1
TO THE HEYDAY SHOP FRANCHISE AGREEMENT

FRANCHISE INFORMATION

1. **Location of the Heyday Shop (the "Premises") (Sections 2(A)):** The Heyday Shop will be located at: ____
____
____

If the Premises have not been approved in writing by us as of the Effective Date, we will insert the address of the Premises after you execute a Lease, or otherwise secure the approved site for your Heyday Shop.

2. **The Site Selection Area (Section 5(A)):** If the Premises have not been determined as of the Effective Date, we will identify the Site Selection Area on a map attached to this Exhibit 1. Your rights in the Site Selection Area are subject to the limitations described in Section 5 of the Franchise Agreement. Any boundaries contained in the description of the Site Selection Area will be considered fixed as of the Effective Date and shall not change notwithstanding a change in those boundaries and will terminate immediately, without any further action, upon your identification of a Premises for your Heyday Shop.

3. **The Protected Area shall be reflected on a map titled PROTECTED AREA attached to this Exhibit 1.**

5. ~~4.~~ **The Initial Franchise Fee (Section 7(A)):** $50,000.

FRANCHISEE

____
____

By:______________________________

Title: ____________________________

Date: ____________________________

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to Heyday Franchise Agreement dated ____________________________ ("Franchise Agreement") between HEYDAY FRANCHISE, LLC ("HEYDAY") and _____________________________ ("You") is entered into simultaneously with the execution of the Franchise Agreement.

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

2. The following sentence is added at the end of Section 8.A:

Payment of Initial Franchise Fees will be deferred until Franchisor has met all of its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's current financial condition.

3. The following sentence is added at the end of Section 29(b):

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

4. The following sentence is added to the end of Section 29(c):

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

5. The following sentence is added at the end of Section 29(g).

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

6. The following sentence is added to the end of Section 24(d):

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

7. Your rights upon termination and non-renewal of a Franchise Agreement are set forth Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

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

The Franchisor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor *anticipates* that a landlord/lessee does NOT pay the commission – then you must pay a "success fee" of up to $25,000 for signing a lease.

The Franchisor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor anticipates that a landlord/lessee will pay the commission to the national tenant broker, if the landlord/lessee does NOT pay the commission - then you must pay a $15,000 "success fee" for signing a lease.

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

HEYDAY FRANCHISE, LLC, a Delaware limited liability company.	**FRANCHISEE**
________________________________	________________________________
By: ____________________________	By: ____________________________
Title: __________________________	Title: __________________________

Date: ______________________________ Date: ______________________________

ADDENDUM TO FRANCHISE AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES

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

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

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

HEYDAY FRANCHISE, LLC, a Delaware limited liability company.	**FRANCHISEE**
______________________________	______________________________
By: ______________________________	By: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

DEVELOPMENT RIGHTS AGREEMENT

This Development Rights Agreement ("DRA"), dated as of the date set forth on the last page of the DRA, by and between **HEYDAY FRANCHISE LLC**, a Delaware limited liability company ("Franchisor"), and the party identified on the last page of the DRA ("Franchisee").

RECITALS

A. Franchisor and Franchisee have signed that certain Franchise Agreement, dated as of ______________ (the "First Franchise Agreement"), with respect to the operation by Franchisee of a Heyday Shop (the "First Shop");

B. Franchisee desires to develop, open, and operate additional Heyday Shops (the "Subsequent Shops") in a defined geographic area (the "Development Area"); and

C. Subject to the terms and conditions of the DRA, Franchisor is willing to grant additional Heyday Shop franchises to Franchisee.

AGREEMENT

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

1. Grant of Option to Establish Additional Heyday Shops.

2. Subject to and in accordance with the terms of the DRA, Franchisor grants to Franchisee, and Franchisee accepts, an option to execute additional franchise agreements (each a "Franchise Agreement") to establish and operate additional Heyday Shops within the "Development Area" as described in Exhibit A

3. in accordance with the development schedule (the "Development Schedule"):

(a) Subject to and in accordance with the terms of the DRA, Franchisee (and his Principals, directors, officers, managers and employees) will sign and deliver to Franchisor, in connection with each Shop:

(i) a fully executed Franchise Agreement and such other ancillary agreements; and

(ii) the remainder of the applicable Initial Franchise Fee of $25,000 ($25,000 for each Franchise Agreement will be credited from the Development Fee) and other fees required to be paid at the time that a Franchise Agreement is executed. The Franchise Fee is not refundable and will be used for our general purposes;

(iii) documents as Franchisor may then require in connection with the signing of Franchise Agreements in the form then being signed by new franchisees and will be subject to the terms of such Franchise Agreement (including, without limitation, the royalties, the advertising payments and other fees); and

4. Development Fee. The Development Fee is calculated by multiplying $25,000 by the number of Subsequent Shops that you and we agree are to be opened in the Development Area. In connection with the execution of the DRA, Franchisee shall pay Franchisor a fee equal to ___________________________ (the "Development Fee"). The Development Fee is deemed fully earned by Franchisor upon execution of the DRA in consideration of lost development opportunities and is nonrefundable under any circumstances. Upon execution of a Franchise Agreement with respect to a Subsequent Shop, Franchisee shall be obligated to pay Franchisor.

5. Royalties.

(a) Unless otherwise provided in the DRA, the royalties payable to us in conjunction with each Franchise Agreements and each Subsequent Shops will be set forth in the Franchise Agreement executed in conjunction with each Heyday Shop.

6. Notwithstanding anything contained in the DRA to the contrary, Franchisor may refuse to grant Franchisee a franchise or sign a Franchise Agreement or to allow Franchisee to open a Subsequent Shop contemplated by the DRA due to Franchisee's failure to satisfy (in Franchisor's sole discretion) all of the conditions set forth in Section 5 of the DRA. In such event, any ~~Option~~Development Fee paid to Franchisor with respect to the Subsequent Shop(s) will not be refunded to Franchisee.

7. Conditions to Establishing Additional Heyday Shops**.** Franchisee acknowledges and agrees that it is critical for Franchisor to protect the Trademarks and to maintain a high quality of services and products provided under the Trademarks. Accordingly, Franchisee acknowledges that Franchisor has a significant interest in granting franchises only to persons who operate their Heyday Shops in accordance with the highest integrity and operational excellence, and agrees that Franchisee's right to establish and operate the Shops will be subject to the satisfaction (in Franchisor's sole discretion) of each of the following conditions:

(a) Franchisee must sign a Franchise Agreement with respect to each Subsequent Shop by the Commencement Date;

(b) At the time that Franchisee seeks to sign a Franchise Agreement with respect to a Subsequent Shop, Franchisee (and his Affiliates and their respective Principals, directors, officers, managers and employees) must not be in breach of his (or their) obligations under, or related to, the DRA, any Franchise Agreement or any other agreement with Franchisor or its Affiliates, and no fact or condition exists that, with the passage of time or the giving of notice, would constitute a breach;

(c) At the time that Franchisee seeks to sign a Franchise Agreement with respect to a Subsequent Shop, (i) all Heyday Shops operated by Franchisee (and all of his Affiliates) must be in full compliance with all operational and other requirements, rules and policies contained in Franchisor's Operation Manual and (ii) Franchisee must qualify (in Franchisor's sole discretion) for acceptance as a franchisee under Franchisor's then-current qualifications (including, without limitation, financial qualifications) for franchisees;

(d) Franchisee (and his Principals, directors, officers, managers and employees) signs and delivers to Franchisor, in connection with any such Subsequent Shop, the Franchise Agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of Franchise Agreements) in the form then being signed by new franchisees and will be subject to the terms of such Franchise Agreement including, without limitation, the royalties, the advertising payments and other fees; and

(e) At the time that Franchisee seeks to sign a Franchise Agreement with respect to a Subsequent Shop, Franchisee must sign a general release of Franchisor and its Affiliates, in the form attached hereto as Exhibit A, or in such other form as Franchisor may then require. Franchisee agrees that if Franchisee fails to satisfy (in Franchisor's sole discretion) each of the above conditions, Franchisee will not be entitled to establish or operate the additional Heyday Shops contemplated by the DRA and that Franchisor will not be obligated to grant Franchisee any additional franchises or sign any additional franchise agreements with Franchisee; provided, however, that Franchisee's rights with respect to to a mutually agreeable timetable within the Development Area. The qualifications and conditions for the Successor Term are described below:

(i) You must give us written notice of your election to renew the DRA not less than 9 months, nor more than 12 months, before the expiration of this Agreement;

(ii) You must pay us a Successor ARA Fee equal to the Development Fee outlined in Section 2;

(iii) Neither you nor any of your affiliates are in default under this Agreement or any other agreements with us or our affiliates;

(iv) You must correct any existing deficiencies of your Heyday Shop or in your operation of your Heyday Shop and satisfy our then-current System Standards including adding any new products or services that are then being offered in the System, meet our qualifications for new franchisees, and complete any additional certification and training requirements that apply to you, your Operating Principal, your managerial and training personnel and/or your staff (which may involve the payment of training fees); and

(v) You, and your owners and guarantors of your obligations under this Agreement must sign a general release (substantially similar to the form attached hereto as Exhibit F to the FDD) releasing any and all claims against us, and our affiliates, owners, officers, directors, agents and employees.

17. Amendment, Modification or Waiver.

(a) Except as stated in the DRA, no amendment, modification or waiver of any condition, provision or term of the DRA will be valid or of any effect unless made in writing, signed by the parties and specifying with particularity the nature and extent of the amendment, modification or waiver.

(b) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her or its rights under the DRA. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

(c) Franchisee understands and agrees that any and all individual Franchise Agreements executed by Franchisee and Franchisor for Shops within the Development Area are independent of the DRA. The continued effectiveness of any Franchise Agreement does not depend on the continued effectiveness of this Area DRA. If any conflict arises with the DRA and any Franchise Agreement, the Franchise Agreement controls, has precedence and superiority (except with respect to the opening deadline for each Shop Franchisee is granted the right to open under the DRA).

18. Entire Agreement**.** This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits is incorporated in the DRA by this reference and constitutes a part of the DRA. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

19. Terminology**.** All captions, headings or titles in the paragraphs or sections of the DRA are inserted for convenience of reference only and do not constitute a part of the DRA or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in the DRA,

ADDENDUM TO DEVELOPMENT AGREEMENT REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to Heyday Development Agreement dated _________________________ ("Franchise Agreement") between HEYDAY FRANCHISE, LLC ("HEYDAY") and __________________________ ("You") is entered into simultaneously with the execution of the Franchise Agreement.

Illinois Law governs the agreements between the parties to this franchise.

Payment of Initial Development Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

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

Your rights upon termination and non-renewal of a Franchise Agreement are set forth Sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Franch isor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor anticipates that a landlord/lessee will pay the commission to the national tenant broker, if the landlord/lessee does NOT pay the commission - then you must pay a $15,000 "success fee" for signing a lease.

HEYDAY FRANCHISE, LLC, a Delaware limited liability company.	**FRANCHISEE**
___________________________________	___________________________________
By: ________________________________	By: ________________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

ADDENDUM TO DEVELOPMENT AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES

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

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

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

HEYDAY FRANCHISE, LLC, a Delaware limited liability company.	**FRANCHISEE**
______________________________	______________________________
By: ____________________________	By: ____________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

EXHIBIT E TO HEYDAY®
FRANCHISE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

GENERAL RELEASE

____________________, a ______________________, whose address for the purpose of this Release is ____________________________________ ("Franchisee"), ____________________________, a(n) ____, whose address for the purpose of this Release is ____, and ________________________________, a(n) ____, whose address for the purpose of this Release is ____ (collectively, "Franchisee's Principals"), for good and other valuable consideration, hereby release and forever discharge HEYDAY FRANCHISE LLC, a Delaware limited liability company ("Company"), its parent, its affiliates, and their respective heirs, successors, members, shareholders, representatives, assigns, agents, employees, officers and directors ("Designees"), of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature, character and description, known or unknown, vested or contingent, that Franchisee or any of Franchisee's Principals now own or hold, or has at any time heretofore owned or held, or may at any time own or hold against Company and its Designees, arising prior to and including the date of this Release, including, without limitation, any such claims that Franchisee or any of Franchisee's Principals may have against Company and its Designees (i) arising under any agreement between Franchisee and its Principals and Company and its Designees, except those surviving the termination of that certain Franchise Agreement dated __________________ between Franchisee and Company (the "Franchise Agreement"), and any settlement agreement related to its termination, (ii) arising from the parties' conduct during the term of the Franchise Agreement, and (iii) arising under federal, state and local laws, rules or ordinances, including, but not limited to, federal and state franchise and deceptive trade practice laws.

If Franchisee is domiciled or has his or her principal place of business in the State of California, then Franchisee hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides:

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

IN WITNESS WHEREOF the parties have executed and delivered this General Release on this _____ day of __________________________.

FRANCHISEE: [Name of Entity if Franchise is a business Entity]	FRANCHISEE'S OWNERS
	____________________________________
By: _________________________________	Print Name: _________________________
Printed Name: ________________________	____________________________________
Title ________________________________	Print Name: _________________________
Date: ________________________________	

[This General Release will be modified as necessary for consistency with any state law regulating franchising]

L5 REAL ESTATE SERVICES VENDOR AGREEMENT

THIS L5 REAL ESTATE SERVICES VENDOR AGREEMENT (this "Agreement") is made and entered into effective as of ______________ (the "Effective Date"), by and between **L5 ACCELERATION SERVICES, LLC**, a Georgia limited liability company ("L5RE"), and **[CLIENT]**, a **[CLIENT TYPE/STATE]** ("Client"). L5RE and Client may sometimes be collectively referred to herein as the "Parties").

BACKGROUND

A. In connection with the opening of Client's business (the "Business Venture"), Client and L5RE desire to enter into a contractual relationship for L5RE to provide its oversight of certain services relating to site selection, lease negotiation, design, and construction management of tenant improvements at a location to be determined (the "Project").

B. Client will pay L5RE to perform or to cause others to perform such services on behalf of Client.

C. Client knows and assumes the risks of its Business Venture and acknowledges that L5RE's negotiation or written acceptance of the services, contracts, or agreements it may negotiate on Client's behalf is not a guarantee or warranty, express or implied, of the Business Venture's success or profitability or of the service's, contract's, or agreement's suitability for Client's business purposes and that L5RE cannot guarantee work performed in connection with any services, contracts, or agreements that L5RE negotiates or predict or guarantee any other outcomes.

AGREEMENT

In consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. ENGAGEMENT OF L5RE

1.1 **Engagement of L5RE**. Client hereby retains L5RE to use its commercially reasonable efforts to coordinate and manage the oversight of the items more particularly described in Section 3 below (hereafter, the "Development Services"). L5RE hereby accepts such engagement pursuant to the terms and conditions contained herein.

1.2 **Nature of Project.** Client hereby acknowledges and agrees that Client has assumed and will continue to assume the risks of entering into its Business Venture, the Project, and this Agreement; that L5RE does not guarantee the performance of any Providers (defined in Section 4.1 below) or any other parties under the Project Contracts (defined in 4.2 below); that L5RE's duties and responsibilities hereunder consist only of assisting Client in managing, arranging, supervising, and coordinating the Development Services in a commercially reasonable manner; that L5RE's performance hereunder is subject to the limitations of liability contained in this Agreement, which are a material inducement for L5RE to enter into this Agreement; that L5RE is not itself preparing any architectural or engineering drawings, plans or reports, lease agreements, schematic or other designs, or any other plans or specifications, nor performing any construction required for the development or completion of the Project; and further (without implying or creating any liability or responsibility for L5RE for matters not set forth specifically herein) that L5RE shall not be responsible for, nor shall it be liable for, any work, act, omission, negligence, gross negligence, or intentional misconduct of any other person or Providers.

2. FEE AND COST REIMBURSEMENTS

2.1 **Services Fee to L5RE**. In exchange for the services of L5RE hereunder, Client shall pay to L5RE, no later than the Effective Date, an amount equal to Fifty-Three Thousand and No/100 Dollars ($53,000.00) (the "Fee").

2.2 **Survival**. The Fee shall be fully earned by L5RE on the Effective Date, shall be non-refundable, and the provisions of this Article 2 shall survive the completion of L5RE's services hereunder or any termination of this Agreement.

3. SCOPE OF SERVICES

3.1 **General Services**. Following the payment of the appropriate fees by Client as specified in this Agreement, L5RE shall provide on behalf of Client, if, and when necessary, the following Development Services with respect to the Project:

(a) Engagement of Real Estate Brokers and Management of Site Selection Process;

(b) Territory Analysis and Site Tour Management Coordination and Assistance;

(c) Assistance with Review of Site Analytics and Demographics;

(d) Site Acquisition Assistance and Site Acceptance Assistance;

(e) Site Investigation Report Review;

(f) LOI Drafting Assistance and LOI Negotiation Assistance;

(g) Lease Review, Engagement of Leasing Counsel, and Management of Lease Negotiations;

(h) Lease Compliance Assistance;

(i) Design Planning and Engagement and Management of Design Professionals;

(j) Coordination and Assistance with Space Planning and Layout Design;

(k) Review of Preliminary Floor Plans;

(l) Engagement of Architects and Coordination of Plans and Specifications Review;

(m) Plans and Specifications Acceptance Assistance;

(n) Management of Review of Final Layout Design;

(o) Engagement and Coordination of MEP Engineering Assistance and Review;

(p) General Contractor Bid Process Management and Construction Budget Review;

(q) Coordination and Review of Final Project Construction Budget;

(r) Management and Coordination of Construction Due Diligence;

(s) Construction Project Management and Status Reporting;

(t) Assistance with Construction Documentation Review;

(u) Signage Approval Coordination;

(v) Oversight of Permit Management by General Contractor and Architect;

(w) Vendor Coordination;

(x) Lien Waiver Assistance;

(y) Tenant Improvement (T/I) Recovery Assistance;

(z) Post Opening Construction Support & Coordination for Items Under Warranty; and

(aa) Five (5) total in-person visits for any combination of the Development Services, as you prefer.

3.2 **Specific Exclusions from Scope of Services**. The scope of services hereunder shall expressly not include (a) services relating to the design, construction, or development of any of site work, base building work, or building shell work, (b) ancillary lease document review services, including but not limited to review or negotiation of Subordination, Non-Disturbance, and Attornment Agreements, lease commencement documentation, lease amendments, and other similar instruments or agreements relating to the lease for the Project; and (c) any other construction, design, and development services which are not typical for an interior build out of a premises.

3.3 **Specific Exclusions from Liability; Material Assumptions**. Without creating any liability or responsibility for L5RE for matters not set forth specifically herein, L5RE shall not be liable to the Client or any other party for the following: (a) any costs incurred in connection with the Project, including but not limited to labor, materials, or services, all of which shall be the sole responsibility of Client; (b) the quality, accuracy, or completeness of the plans and specifications for the Project and any other Project Contracts (defined in Section 4.2 below); (c) any unanticipated or increased costs, change orders, delays, claims, damages or other costs arising out of or in connection with the Project Contracts or any other contracts associated with the Project; (d) the quality of the construction work performed at the Project; (e) damages, costs or expenses arising out of claims by any third parties in connection with the Project; or (f) the act or omission of any Provider or other third party in carrying out the Development Services or their duties under the Project Contracts.

3.4 **No Obligation to Third Parties**. None of the responsibilities and obligations of L5RE under this Agreement shall in any way or in any manner be deemed to create any liability of L5RE or any rights in any person other than Client or L5RE.

3.5 **Non-Exclusive Services**. This Agreement shall not be construed to restrict L5RE's right to offer similar services to other parties on other projects, or to develop its own projects, as L5RE may deem in its best interests.

4. MANAGEMENT OF PROJECT

4.1 **L5RE Authority to Select Providers**. L5RE has or will hire, on behalf of Client, outside service providers to carry out the Development Services and to provide the required goods and any other such services for the Project, including, but not limited to, the general contractor, architects, engineers, other design professionals, providers of goods and services, other contractors or subcontractors, suppliers, materialman, attorneys, and artisans (collectively, the “Providers”). Client grants L5RE the sole and absolute authority to select all Providers, and Client hereby approves all Providers engaged or hereafter engaged by L5RE for the Project.

4.2 **Third Party Contracts**. Client agrees to promptly review all contracts that L5RE deems necessary, prudent, or desirable in connection with the Project, including but not limited the lease (or acquisition agreements for real estate), agreements with the Providers, and any other contracts, agreements, or governmental submissions or applications associated with the Project or the Development Services (collectively, the “Project Contracts”). Client agrees to promptly execute or provide comments on any such Project Contracts so as to not cause any undue delay in the prompt completion of the Development Services and the Project. Client shall assume the obligations and the responsibility for any Project Contract entered into by L5RE on behalf of Client in accordance with this Agreement. Even though Client is and will remain the “owner” of the Project, Client hereby authorizes and delegates unto L5RE the power to negotiate, on Client’s behalf, all Project Contracts.

4.3 **Site Selection Brokers**. Client acknowledges that L5RE has engaged or will engage, in its sole discretion, the services of one or more local commercial real estate brokers in connection with the Project. Client shall not engage a real estate broker (an “Additional Broker”) without the written consent of L5RE, which may be withheld in L5RE’s sole discretion. Client shall be directly responsible for all fees and costs associated with an Additional Broker, and Client shall indemnify L5RE for any fees, costs, expenses, or payments due or claimed to be due to any Additional Broker.

4.4 **Client Cooperation.** Client agrees not to interfere or contradict L5RE’s exercise of its authority to oversee or carry out any of the Development Services and further agrees to fully cooperate with L5RE throughout the term of this engagement, including, but not limited to, promptly approving and signing (or providing prompt rejection of) all Project Contracts.

4.5 **Independent Contractor Relationship**. Client understands and agrees that L5RE and all Providers will be independent contractors. Nothing is intended to make either Client or L5RE (or any affiliate of L5RE) a general or special agent, joint venturer, partner, or employee of the other for any purpose. In performing its obligations hereunder, L5RE will not be implied to be exercising direct or indirect control over Client's Business Venture. Neither Client nor L5RE shall have the power to bind the other party except pursuant to the terms of this Agreement.

4.6 **Employees**. All persons employed by Client in connection with the Project (or otherwise) will not be the employees or agents of L5RE, and L5RE shall have no liability, responsibility or authority with respect thereto. Client is solely responsible for the salaries of its employees and any employee benefits, including, without limitation, wages, worker’s compensation benefits, employment and social security taxes and fringe benefits, to which Client’s employees may claim to be entitled. Client will fully comply with all applicable laws relating to worker’s compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related matters.

5. BUDGET AND PAYMENT OF PROJECT COSTS

5.1 **Budget**. L5RE shall assist Client with obtaining bids for the Project and shall assist with the preparation of the total budget, which shall promptly be approved by Client following delivery to Client by L5RE (the “Budget”). The Budget of expenses submitted by L5RE, when approved by the Client, shall, in general, form the basis on which L5RE shall, on behalf of Client, incur items of expense for the development of the Project. L5RE shall use commercially reasonable efforts to cause the Project to be completed in a manner consistent with the Budget as it may be approved and updated by L5RE and Client.

5.2 **Client's Obligations to Fund**. Client agrees that Client will provide, as and when necessary, all such amounts, costs, and expenses, including any insurance proceeds, in connection with the Project Contracts, Development Services, and the performance of the Project, including all obligations of Client to L5RE and the Providers. To the extent that L5RE has incurred third party costs in connection with the Project, Development Services, or Project Contracts, Client shall reimburse L5RE for all such costs or expenses. During the term of this Agreement, L5RE shall deliver to Client a monthly draw detailing the costs that need to be paid to L5RE or such other party pursuant to the terms hereof, and Client shall, within seven (7) days, advance the funds to L5RE, or if directed by L5RE, make such payments directly to the Providers or other party entitled thereto.

5.3 **Procedure for Change Orders**. Upon delivery to Client of a proposed material change to the Project (a "Change Order"), Client shall have three (3) days to provide L5RE with a written objection to such proposed Change Order (or a portion thereof) in which event Client and L5RE shall seek to mutually resolve any objections put forth by Client. IN THE EVENT THAT CLIENT DOES NOT PROVIDE WRITTEN OBJECTION TO A CHANGE ORDER WITHIN SUCH THREE (3) DAY PERIOD, AND THE CHANGE ORDER DOES NOT INCREASE THE TOTAL COSTS OF THE PROJECT BY MORE THAN THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($35,000.00), THE PROPOSED CHANGE ORDER SHALL BE DEEMED APPROVED BY CLIENT.

5.4 **Required Change Orders**. Client hereby acknowledges that any Change Order may require approvals by city, county, state and federal governments or agencies and by private associations or organizations having legally enforceable jurisdiction or approval rights over the Project. Notwithstanding anything contained herein to the contrary, in no event shall Client be permitted to withhold consent to a proposed Change Order if such Change Order is necessary for (x) construction of the Project to proceed in accordance with the plans, (y) obtaining compliance with any applicable license, certificate, law, code, rule, ordinance, regulation or order of any city, county, state, federal governmental authority or agency, court, department, commission, board or office or anybody similar to any of the foregoing having jurisdiction over Client's Business Venture or operation thereof at the proposed site (collectively, the "Legal Requirements"), or (z) correction of errors in or omissions from the plans.

5.5 **Excessive Travel Related Expenses**. Client acknowledges and agrees that L5RE will incur certain out-of-pocket expenses in connection with its duties under this Agreement, which may include, but are not limited to, travel costs (coach or economy airfare, local transportation, airport transfers), hotel accommodations, reasonable costs for meals while travelling, and data purchases (collectively, "TRE"). To the extent that L5RE determines, in its reasonable discretion, that it has incurred Excessive TRE (defined below) due to the acts or omissions of Client, Client shall reimburse L5RE for the Excessive TRE incurred in conjunction with its duties under this Agreement. "Excessive TRE" shall mean TRE in excess of Five Thousand and No/100 Dollars ($5,000.00).

5.6 **Option to Establish Escrow**. L5RE may require that Client establish an escrow account for the payment of all costs, expenses, or fees in connection with the Project and the Development Services. Should L5RE require that Client fund an escrow account, Client shall, within ten (10) days of written request, deposit such amounts as reasonably determined by L5RE, with an escrow agent designated by L5RE, and all costs associated with such escrow shall be exclusively borne by Client.

6. INSURANCE

6.1 **Insurance Requirements**. Client shall, in addition to such coverages as L5RE may request in writing from time to time, maintain or cause to be maintained such insurance coverages as may be required by any Project Contract, lease, loan agreement, franchise agreement, or other similar agreement relating to the Project and the Development Services, and shall ensure that L5RE is at all times named as an additional insured thereunder. Client shall, upon request by L5RE, provide evidence all insurance required hereunder.

6.2 **Waivers of Subrogation**. Client will include in their insurance policies a waiver of their insurer's right of subrogation against the other parties or, should such waiver be unobtainable (i) an express agreement that such policies shall not be invalidated if the insured waives or has waived before the casualty the right of recovery against any party responsible for a covered casualty or (ii) any other form of permission for the release of such responsible party.

6.3 **Endorsements**. Client's insurance policies shall, to the extent available, contain endorsements providing that such policies may not be materially altered, canceled or non-renewed except upon thirty (30) days prior written notice to Client.

7. REPRESENTATIONS AND WARRANTIES; ACKNOWLEDGMENTS

7.1 **Representations and Warranties of Client**. Client represents and warrants to L5RE that Client has full power and authority to enter into this Agreement and perform its obligations hereunder; that all necessary entity or other authorizing actions to cause this Agreement to be executed and binding upon Client has occurred, and when executed and delivered by Client, this Agreement will be and shall remain a valid and binding agreement with respect to Client's obligations hereunder; and that Client now has, and will continue to have, the financial wherewithal to perform its obligations under this Agreement.

7.2 **Non-Reliance, No Guarantee of Success**. CLIENT WARRANTS AND REPRESENTS THAT IT HAS NOT RELIED UPON ANY STATEMENTS, PROJECTIONS, OR REPRESENTATIONS CONCERNING REVENUE, PROFIT, OR THE SUCCESS OF THE DEVELOPMENT OF THE PROJECT. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, L5RE NOR ANY PERSON ON L5RE'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND CLIENT ACKNOWLEDGES THAT, IN ENTERING INTO THIS AGREEMENT, IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY L5RE, OR ANY OTHER PERSON ON L5RE'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

7.3 **No Warranties.** L5RE SPECIFICALLY DISCLAIMS ALL WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR GOOD AND WORKMANLIKE CONSTRUCTION AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED, AND CLIENT WAIVES ALL BASIS FOR RECOVERY OR REIMBURSEMENT (INCLUDING ANY GROUND FOR RECOVERY BASED ON NEGLIGENCE OR STRICT LIABILITY), TO THE EXTENT THE SAME WOULD ALLOW GREATER RECOURSE THAN PROVIDED IN THIS AGREEMENT AGAINST L5RE.

8. ASSUMPTION OF INHERENT RISKS; WAIVERS OF LIABILITY

8.1 **Assumption of Risk to Person or Property**. Except for the gross negligence or willful misconduct of L5RE, Client hereby assumes all risk of damage to property and injury to persons, in, on, or about the Project and agrees that L5RE, and its affiliates and each of their respective members, partners, stockholders, managers, directors, employees, officers, agents, contractors, permitted successors, and permitted assigns (collectively, "L5RE Parties") will not be liable for any damage to property or injury to persons sustained by Client or by other persons claiming by, through, or under Client.

8.2 **Assumption of Business Risks.** Client acknowledges and agrees that it is acutely aware of the risks associated with committing to develop and open Client's Business Venture in the trade area it has selected. Client acknowledges and agrees that there are significant financial implications and business risks associated with site selection, location acquisition, design, development, and construction of tenant improvements for the Business Venture and to its receipt of the Development Services under this Agreement and the performance of the Providers. Client acknowledges that there are immense financial costs and unquantifiable administrative expenses in carrying out the Development Services and acknowledges the benefit in delegating these responsibilities to L5RE in accordance with the terms of this Agreement, but understands that L5RE cannot guaranty or promise any particular desired outcome. Client understands that L5RE's engagement under this Agreement does not increase the likelihood of the success of the Business Venture or the Project. Client acknowledges that L5RE only has the obligation to use commercially reasonable efforts to coordinate and oversee the management of the Project, and Client acknowledges that in performing the Development Services and its duties hereunder that L5RE is merely providing management services for the Project, is solely making recommendations to Client, and is assisting in coordinating the Providers' performance of their respective services. Client acknowledges that it retains all final decision-making authority for the Project and that it may later discover facts that may be different from, or in addition to, those that it now knows or believes to exist regarding the Project, and which, if known at the time of entering into this Agreement, may have materially affected this Agreement and Client's decision to agree to the terms and conditions contained in this Agreement. Client hereby waives any right or Claim that might arise as a result of such different or additional Claims or facts. Client fully assumes the risks of committing to develop and open Client's Business Venture and to its receipt of the Development Services in accordance with the terms and conditions of this Agreement, including, but not limited to, those relating to site selection, location acquisition, design, development, and construction of the tenant improvements.

8.3 **No Liability for Providers.** Client acknowledges and agrees that L5RE shall not be liable to Client, and Client hereby waives all Claims (defined below) against L5RE and the L5RE Parties for any damages arising from any act or omission of any Provider, including but not limited to mistakes of judgment, dishonesty, unlawful acts, fraud, or bad faith of any Providers, or any other person retained in connection with the Project or the Development Services, including but not limited to any broker, accountant, designer, architect, or attorney. Client agrees not to take any legal action against L5RE (and L5RE shall not be liable or responsible) for the act or omission of any Provider and Client agrees that all such Providers shall retain all liabilities in connection with their deliverables, including but not limited to adequacy of all plans and specifications for the Project, the compliance of the plans and specifications with Legal Requirements, conformance of construction with the plans and specifications and sound building practices, and adequacy, accuracy, and completeness of all Project Contracts. Notwithstanding anything to the contrary contained herein, L5RE shall be entitled to rely on information, opinions, reports or statements provided to it by the Providers and other third parties retained on behalf of Client or in connection with the Project.

8.4 **No Liability For Material Difference In Projected Versus Actual Costs.** Client acknowledges and agrees that there may be differences between the initially proposed Budget and the final total Project costs Client may incur due to, among other matters, changes in labor costs, increased costs of materials, unforeseen site conditions, and other unknowns that are inherent in construction related matters. Clients assumes all such increased cost risks. L5RE shall have no liability to Client or other person for any loss suffered by any of them which arises out of any action or inaction of L5RE if the authority allowed to it by this Agreement and such course of conduct did not constitute fraud, willful misconduct, or gross negligence.

8.5 **Limitation of Incidental or Consequential Damages.** NEITHER L5RE NOR ANY OF THE L5RE PARTIES WILL BE RESPONSIBLE FOR POOR SITE SELECTION, ERRORS IN DESIGN, CONSTRUCTION DEFECTS, OR ANY OTHER PARTIES' ACTS OR OMISSIONS, INCLUDING BUT NOT LIMITED TO, UNDER, OR IN CONNECTION WITH ANY PROJECT CONTRACTS. UNDER NO CIRCUMSTANCE WILL L5RE OR ANY OF THE L5RE PARTIES BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED BY CLIENT OR ANY OTHER PERSON CLAIMING BY THROUGH OR UNDER CLIENT, INCLUDING, BUT NOT LIMITED TO, ANY LOSS IN REVENUES, ANY LOSS OF OPPORTUNITIES, ANY LIABILITY TO OTHER PERSONS FOR LOSS, INJURY OR DAMAGE TO PERSONS OR PROPERTY OR DEATH, OR ANY DAMAGE TO THE PROJECT. CLIENT WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, AND COVENANTS NOT TO TAKE LEGAL ACTION TO OBTAIN ANY PUNITIVE, EXEMPLARY, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES AGAINST L5RE OR ANY L5RE PARTIES EVEN IF L5RE HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT SHALL L5RE'S LIABILITY TO CLIENT EXCEED THE ONE-TIME, LUMP SUM FEE PAID TO L5RE PURSUANT TO THIS AGREEMENT.

9. INDEMNIFICATION.

9.1 **Indemnification.** To the fullest extent permitted by law, Client agrees to indemnify, defend (with counsel reasonably acceptable to L5RE) and hold harmless L5RE, and all L5RE Parties, from and against any and all claims, demands, losses, liabilities, causes of action, suits, judgments, damages, deficiencies, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees (through all levels of proceedings), and the costs of enforcing any right to indemnification under this Agreement (collectively, "Claims") arising out of or resulting from any matter in connection with Client's Business Venture, the performance of the Development Services, or the Project, or arising out of or resulting from any claim or cause in, on or about the Project (including, without limitation, the construction, installation, placement and removal of improvements, fixtures and/or equipment, and corrections of violations arising from Legal Requirements), and any acts, omissions or negligence of Client or of any Providers, contractors, agents, servants, employees, licensees or invitees of Client or any such person, in, on or about the Project, or arising from any occurrence on the Project, any matter arising in connection with the Project Contracts, the use and occupancy of the intended site, or from any activity, work, or thing done, permitted or suffered by Client or any of its officers, directors, employees, managers, representatives, agents, invitees, Providers, or contractors (each a "Client-Related Party") in or about the Project or due to any other act or omission of Client or a Client-Related Party, or from Client's breach of or failure to perform its obligations under this Agreement (other than any loss arising from the gross negligence or willful misconduct of L5RE), EVEN THOUGH CAUSED OR ALLEGED TO BE CAUSED BY THE JOINT, COMPARATIVE, OR CONCURRENT NEGLIGENCE OR FAULT OF L5RE OR ITS AGENTS, AND EVEN THOUGH ANY SUCH CLAIM, CAUSE OF ACTION, OR SUIT IS BASED UPON OR ALLEGED TO BE BASED UPON THE STRICT LIABILITY OF L5RE OR ITS AGENTS. THIS INDEMNITY

PROVISION IS INTENDED TO INDEMNIFY L5RE AND ITS AGENTS AGAINST THE CONSEQUENCES OF THEIR OWN NEGLIGENCE OR FAULT AS PROVIDED ABOVE WHEN L5RE OR ITS AGENTS ARE JOINTLY, COMPARATIVELY, OR CONCURRENTLY NEGLIGENT WITH CLIENT. This indemnity provision shall survive termination or expiration of this Agreement. The furnishing of insurance required hereunder shall not be deemed to limit Client's obligations under this Section.

9.2 **No Liens**. Client covenants and agrees that it will pay or cause to be paid all sums due and payable by it on account of any services, labor performed, or materials furnished in connection with any Development Services and the Project and that it will save and hold L5RE harmless from all loss, cost or expense based on or arising out of asserted claims or liens arising in connection with the Project. Client shall cause any lien or encumbrance against the Project to be discharged within thirty (30) days of the filing or recording thereof.

10. EVENTS OF DEFAULT; REMEDIES

10.1 **Default by L5RE**. Upon the occurrence of any one or more of the following events ("L5RE Event(s) of Default") which shall continue and not be cured following any applicable notice and cure period, Client may, at its option, declare L5RE in default under this Agreement and exercise such remedies as may be provided hereunder:

(a) L5RE substantially and materially fails to perform any of its affirmative covenants set forth in this Agreement.

(b) L5RE shall become insolvent as evidenced by its admission in writing of its inability to meet its obligations as they mature, or shall make an assignment for the benefit of creditors, or shall at any time be adjudicated bankrupt; or shall at any time apply for the appointment of a trustee or receiver of any substantial part of its properties; or any such trustee or receiver shall be appointed, and if in any such action it shall indicate its approval of, consent to or acquiescence in such appointment, or any such trustee or receiver shall not be discharged within sixty (60) days; or any proceedings involving such party shall at any time be commenced by or against L5RE under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the United States or any state thereof, and if such proceedings shall be initiated against L5RE and the same shall remain legally viable for sixty (60) days.

10.2 **Client Remedies for a L5RE Event of Default**. Upon any L5RE Event of Default which shall continue for a period of thirty (30) days after written notice and demand is given by Client to L5RE (other than any L5RE Event of Default described in Section 10.1(b), for which no cure period shall be available), or, if such default cannot reasonably be cured within such thirty (30) day period, if L5RE shall not have commenced to cure such L5RE Event of Default within such thirty (30) day period and thereafter diligently continued to prosecute the same to completion, Client shall be entitled, as its sole remedy, to terminate this Agreement.

10.3 **Default by Client**. If one or more of the following events occurs ("Client Event(s) of Default"), which shall continue and not be cured after any applicable notice and cure period, L5RE, may at its option, declare Client in default under this Agreement and any document or instrument given in connection therewith and exercise all remedies provided hereunder:

(a) Client fails to make payments of any sums owed to L5RE or any other party pursuant to this Agreement or otherwise fails to fund any amount Client is obligated to fund under the terms of this Agreement.

(b) Client commits a material breach of any covenant, warranty or condition in this Agreement, or any representation in this Agreement is or has become untrue in any material respect, or Client fails to substantially perform any of the affirmative covenants set forth herein or materially breaches any of its negative covenants set forth herein.

(c) Client shall become insolvent as evidenced by its admission in writing of its inability to meet its obligations as they mature; or shall make an assignment for the benefit of creditors, or shall at any time be adjudicated bankrupt; or shall at any time apply for the appointment of a trustee or receiver of any substantial part of its properties; or any such trustee or receiver shall be appointed, and if in any such action it shall indicate its approval of, consent to or acquiescence in such appointment, or any such trustee or receiver shall not be discharged within sixty (60) days; or any proceedings involving such party shall at any time be commenced by or against Client under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the United States or any state thereof, and if such proceedings shall be initiated against Client and the same shall remain legally viable for sixty (60) days.

10.4 **L5RE Remedies for a Client Event of Default**. Upon any Client Event of Default which shall continue for a period of five (5) days after written notice and demand is given by Client to L5RE (other than any Client Event of Default described in Section 7.4(c), for which no cure period shall be available), L5RE shall be entitled to terminate this Agreement and recover from Client its actual damages.

11. DISPUTE RESOLUTION

11.1 **Arbitration.** Except as otherwise provided in this Agreement, any dispute, controversy or claim between and among the Parties and any of their officers, directors, members, owners, guarantors, employees and shareholders arising under, out of, in connection with or in relation to this Agreement, the parties' relationship (a "Dispute") which cannot be resolved shall be submitted to binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association by one (1) arbitrator. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.).

11.2 **Counterclaims**. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Party.

11.3 **Arbitrator Powers**. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary, consequential, or punitive damages, but will have the right to award or include in the arbitrator's award any other relief that the arbitrator deems proper in the circumstances but in all instances the arbitrator's award must be consistent with the terms and conditions of this Agreement (specifically, but not limited to, the limitations of liability contained herein), including without limitation, money damages but subject to the terms of this Agreement (with interest on unpaid amounts from due date), specific performance, injunctive relief, and attorneys' fees and costs in accordance with the terms hereof. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

11.4 **Individual Arbitration Only.** Any arbitration must be on an individual basis as to Client (and not as or through an association) and the parties and the arbitrator will have no authority or power to proceed with any claim on a class-wide basis or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. Other than as may be required by law, the entire arbitration proceedings (including any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the Parties to this Agreement and their respective professional advisors, insurance providers, and lenders. Notwithstanding the foregoing, nothing in this Agreement bars L5RE's right to pursue relief outside of arbitration as contemplated by any other agreement including any agreement with Client or its owners or affiliates.

11.5 **Injunctive Relief**. Despite the parties' agreement to arbitrate, nothing in this Agreement bars either party's right to obtain preliminary orders of specific performance of the provisions of this Agreement and temporary or preliminary injunctive relief against threatened conduct that will cause Client, L5RE loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to the parties' obligation to arbitrate the underlying claims if required above). The Parties agree that the moving party may seek such injunctive relief in addition to such further or other relief as may be available at law or in equity. Neither shall be required to post a bond to obtain injunctive relief and that the non-moving party's only remedy if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Parties agree that the amount of the bond shall not exceed Ten Thousand and No/100 Dollars ($10,000.00).

11.6 **Jurisdiction**. Notwithstanding the terms of Section 12.5 below, Client agrees that: (i) L5RE or its affiliates may enforce any arbitration orders and awards in the courts of the state or states in which Client is domiciled or in which Client's Business Venture is located; and (ii) if the laws of the state in which Client's Business Venture is located prohibit L5RE from restricting jurisdiction or venue exclusively to a forum outside of that state with respect to any claim arising under such state's laws, then either party may bring such claim either in the county in which L5RE principal place of business is located or the state in which L5RE is located. The arbitrator shall not have the power to select a different locale for the arbitration than as set forth herein. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

12. MISCELLANEOUS

12.1 **Ownership and Use of Project Documents**. The plans and specifications and other documents, including those in electronic form, prepared on behalf of Client, the Providers, or any others shall, unless otherwise indicated in the Project Contracts, be works for hire owned by Client, but which L5RE shall have the right to use, replicate, and rely upon. Whether or not the Project is completed, the plans, drawings, and specifications prepared for Client pursuant to this Agreement may be used by L5RE in conjunction with the Project and other projects.

12.2 **Force Majeure**. "Force Majeure" shall mean the occurrence of an earthquake, flood, tornado, hurricane or similar natural occurrence (including rain and snow to the extent resulting in additional costs), strike (other than those specifically and exclusively directed against a party hereto), lock out (other than those initiated by a party hereto), fire, loss of water or utility service to the Project through no fault of a party hereto or their respective Providers, pandemic, riot, government-directed shutdown, insurrection, or war. Parties shall be excused from performing obligations required hereunder during such time, as performance is precluded by a Force Majeure event, but only for so long as the Force Majeure event continues to preclude performance. A party's time for performance of any obligation that is prevented by a Force Majeure event, except for an obligation to pay money, shall be extended for an amount of time equal to the duration of the Force Majeure or the actual number of days that the Project schedule was actually impacted, whichever is longer.

12.3 **Delinquent payments**. Delinquent payments hereunder shall earn interest at the lesser of the maximum rate permitted by applicable law and one and one-half percent (1-1/2%) per month from the date due until paid.

12.4 **No Waiver**. No waiver at any time of the provisions or conditions of this Agreement shall be construed as a waiver of any of the other provisions or conditions hereof nor shall a waiver of any provision or condition be construed as a right to a subsequent waiver of the same provision or condition.

12.5 **Venue**. Except as otherwise provided herein, the parties agree that all arbitration and litigation proceedings involving any Dispute must be commenced in the county in which L5RE's principal place of business is located at the time the Dispute arises (currently, Fulton County, Georgia) and the parties irrevocably submit to the jurisdiction of the state and federal courts of general jurisdiction in such county.

12.6 **Prevailing Party's Fees**. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed.

12.7 **Waiver of Jury Trial**. L5RE and Client irrevocably waive, to the fullest extent permitted by law, trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either L5RE or Client.

12.8 **Governing Law.** All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other federal law, this Agreement and all claims arising from this Agreement will be governed by the laws of the State of Georgia, without regard to its conflict of laws rules.

12.9 **Time Limitation of Claims**. Except for claims arising from Client's non-payment or underpayment of amounts Client owes L5RE or any Providers and except for L5RE's right to seek indemnification from Client for third-party claims as provided in this Agreement, all claims arising out of or relating to this Agreement or the relationship between Client and L5RE will be barred unless an arbitration or judicial proceeding, as permitted, is commenced in the appropriate forum within two (2) years from the date on which the violation, act, or conduct giving rise to the claim occurs, regardless of when the party asserting the claim knew or should have known of the facts giving rise to the claim.

12.10 **Third-Party Beneficiaries**. Except as expressly set out in the second sentence of this Section, this Agreement benefits solely the Parties hereto and their respective permitted successors and permitted assigns, and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. Notwithstanding the foregoing, the Parties hereby designate all L5RE Parties as third-party beneficiaries having the right to enforce this Agreement.

12.11 **Notices**. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if (i) delivered personally, (ii) sent by a reputable, national overnight delivery service, charges prepaid, addressed to such party at the address specified below, or, if a party has notified the other parties in writing of a change of address, to such party's last address so notified, or (iii) sent by facsimile or email. Notices by personal delivery shall be effective when delivered, notices by overnight delivery service shall be effective on the date of delivery by the overnight delivery service to the correct address and notices by facsimile or email shall be effective when delivered. Until notice by either party or other person entitled to notice to the other to the contrary, all schedules, notices or other documentation required to be delivered to either party shall be delivered to the other at the address specified in this Agreement:

To Client:

With a copy to:

To L5RE: L5 Acceleration Services, LLC
675 Ponce de Leon Ave, Suite 8500
Atlanta, GA 30308
Attn: Michael Chin

With a copy to:

12.12 **Successors and Assigns**. This Agreement shall be binding upon the parties hereto and their respective permitted successors and shall inure to the benefit of the parties and their permitted successors and assigns.

12.13 **Assignment**. Client may NOT assign this Agreement without L5RE's consent, which may be withheld in its reasonable discretion. Any attempted assignment without L5RE's consent shall be null and void. L5RE may change its ownership or form and/or sell or assign this Agreement or its interests herein, in whole or in part, and any other agreement without restriction.

12.14 **Time of the Essence**. Time is of the essence for the performance of obligations pursuant to this Agreement.

12.15 **Severability**. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule, a court or arbitrator will, if possible, modify the provision to the extent required to make it valid and enforceable. Regardless, the invalidity, illegality or unenforceability of a provision will not affect any other provision, or the enforcement of the provision in any other jurisdiction. To the extent that this Agreement is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same shall be enforced to the fullest extent permissible. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

12.16 **Incorporation of Exhibits**. Exhibit "A" is hereby incorporated by reference into this Agreement.

12.17 **Entire Agreement**. This Agreement with all schedules and exhibits (Exhibit A - Client Assumption of Risk and Waiver of Liability and Release), attached hereto and incorporated herein, sets forth the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and may not be modified or amended except by a written agreement duly executed by the parties hereto.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

L5RE:	**CLIENT:**
LEVEL 5 REAL ESTATE SERVICES, LLC, a Georgia limited liability company	**[_____________], ________**, a ___________________
By: ___________________________________	
Name: _	By: _____________________________
Title: ___	Name: _
	Title: ___

EXHIBIT A
L5 ACCELERATION SERVICES, LLC

CLIENT ASSUMPTION OF RISK AND WAIVER OF LIABILITY AND RELEASE

Waiver begins on following page

Remainder of this page intentionally blank

CLIENT ASSUMPTION OF RISK AND WAIVER OF LIABILITY AND RELEASE

(This "Waiver") is hereby given on _______________ (the "Effective Date") by _______________ ("Client") for Client and anyone acting for Client) to your real estate services vendor, **L5 ACCELERATION SERVICES, LLC**, a Georgia limited liability company ("L5RE"). Client is advised to consult with an attorney before signing this Waiver.

W I T N E S S E T H

WHEREAS, L5RE and Client have entered into that certain L5 Real Estate Services Vendor Agreement (the "Vendor Agreement") on even date herewith.

WHEREAS, the Vendor Agreement grants to L5RE certain rights to negotiate certain Project Contracts (as defined in the Vendor Agreement) including but not limited to a lease agreement (the "Lease").

WHEREAS Client has acknowledged and agrees that there are significant risks to the Project and to the receipt of L5RE Development Services under the Vendor Agreement ("Vendor Agreement") and has waived and waives certain liabilities as to L5RE's provision of its Development Services, including but not limited to matters regarding site selection, location acquisition, design, development, and construction, and this Waiver further details Client's understanding of the risks and waivers of liability as to L5RE.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Client hereby agrees as follows.

1. **Capitalized Terms; Incorporation of Recitals**. Capitalized terms used herein and not defined shall have such meanings as provided in the Vendor Agreement. The above recitals are true, correct and incorporated in this Waiver.

2. **Client Representations**. Client understands, accepts, and assumes the risks, burdens, and nature of the Client's Business Venture and in accepting the Vendor Agreement for Development Services, further represents and agrees as follows:

(a) It is Client's responsibility to do its own independent investigation, review, and analysis of the site's location, leased premises, Project Contract terms, current site conditions, and general market area so as to be able to interact meaningfully with L5RE at every stage of the Project.

(b) Client is not relying on any statements or promises outside of the four corners of the Vendor Agreement, nor any that appear to be or may be unauthorized or inconsistent with the Vendor Agreement. If any other representation, warranty, promise, guaranty, prediction, projection, or other statement or information has been or is made or given, Client understands and agrees not to rely on it and will not rely on it.

(c) Client understands that neither L5RE's selection of any location, nor its negotiation or acceptance of any lease, nor selection of a construction bid or other contract implies or constitutes any warranty, representation, guarantee, prediction, or projection that the lease or other Project Contracts will result in the profitability or success of Client's Business Venture. It often is the case that leases and other contracts are available only on very tough and high risk terms. Client understands that its owners or members may have to enter into personal guaranties of the lease agreement and other Project Contracts.

(d) Client understands that its Business Venture at any particular site or under any particular Lease involves risk, and any success or failure will be substantially influenced by Client's ability and efforts, competition from other businesses, interest rates, inflation, labor and supply costs, and other economic and business factors.

(e) Client is assuming risks of outcomes as to site selection, negotiating of lease and contracts, ability of the project to stay on budget or to make progress on any set schedule, construction results, ultimate revenues, costs, or profitability, and for all other risks of doing business.

(f) Client acknowledges that L5RE has made no promises or guarantees about any outcomes involved in the Project. Before signing these documents, Client acknowledges and agrees that it has taken the opportunity or has deliberately declined to do so: (a) to discuss them and the Client's Business Venture with its own attorneys, accountants, and real estate and other advisors; and (b) to investigate all statements and information made or given by L5RE or its affiliates, or their respective officers, directors, employees, and agents, relating to the Project and/or Project Contracts, and agrees to do so with respect to all future Project Contracts.

(g) Client acknowledges and agrees that there is no fiduciary or confidential relationship between L5RE and Client. Client expects L5RE to deal, and will act as if it is dealing, with Client at arm's length and in L5RE's own best interests. While L5RE will be negotiating the Lease and certain other agreements of which Client will be the ultimate party thereunder, neither L5RE or any person or entity on L5RE's behalf has provided Client with services or advice that is legal, accounting, or other professional services or advice, and L5RE has advised Client to consult at all relevant times with their own advisors on the legal, financial, and other aspects of the Vendor Agreement, this document, the Lease (and any lease or sublease for the premises) any other agreement entered into in connection with Client's Business Venture. Client either has consulted or will consult with such advisors or has declined or will deliberately decline to do so.

(h) Client acknowledges that other clients represented by L5RE have or will be granted development rights at different times and/or in different situations, and further acknowledges that the provisions of such agreements may vary substantially from those contained in the Vendor Agreement and/or similar Project Contracts.

(i) Client represents and warrants to L5RE that the statements contained in this Waiver are true and correct as of the date hereof.

(j) This Waiver is binding upon the Parties and each of their respective permitted assigns and successors in interest.

(k) The execution of this Waiver and the performance of Client's obligations under the Lease have been duly authorized and approved by all requisite company action on the part of Client. When executed and delivered, this Waiver constitutes the valid, legal and binding obligation of Client and each of the owners of Client enforceable against it and them in accordance with its respective terms.

3. **Waivers of Liability**. Client further agrees as follows:

(a) Client, for itself and its successors, assigns, members, managers, officers, employees, agents, representatives, heirs, and insurers, hereby releases, waives, indemnifies, and holds harmless L5RE and its respective employees, agents, members, managers, and officers, from and against any and all liability for any harm, losses, injury, damage, claims, demands, actions, causes of action, costs, and expenses of any nature incurred by Client that may result from the negotiation and terms of any and all Project Contracts (including, but not limited to, the Lease).

(b) Neither L5RE nor any of its representatives shall have any liability to Client or any other Person by reason of (i) any consent, approval, authorization, advice, assistance, recommendation or direction given or withheld by L5RE or its agents or representatives or any delay or failure in doing so; (ii) defects in the design or construction of, or other capital improvements for the Project or installation of any building systems or fixtures, furniture, or equipment; (iii) non-compliance with any fire safety, life safety, engineering or structural design standards; (iv) errors in any plans or specifications; or (v) the purchase, lease, installation, use, maintenance, update, repair, replacement or security of any equipment and (including any design flaw, failure or malfunction).

(c) Client waives liability of L5RE for any data, tools, or information provided by L5RE to Client, and Client instead assumes all responsibility for performing due diligence as it deems appropriate.

(d) In further consideration of the Development Services and as a material inducement for L5RE to enter into the Vendor Agreement, Client hereby releases L5RE and its parents, subsidiaries, affiliates, predecessors, successors and any other entity related to it, and all of its and their past and present directors, officers, employees and anyone else acting for any of them (all together "Released Parties") from all claims of any type to date, known or unknown, suspected or unsuspected. Client hereby represents that Client has no pending claims, lawsuits, or charges against L5RE or the Released Parties. Client further agrees not to file any lawsuits against L5RE or the Released Parties in any court of the United States or any state or local governmental subdivision thereof, or with any arbitration panel, concerning any claim that Client releases through this Waiver.

(e) To the extent that any waiver or limitations of liability are found to be inconsistent, the strictest limitations and most extensive waivers shall apply.

BY SIGNING THIS AGREEMENT, CLIENT ACKNOWLEDGES THAT: CLIENT HAS READ THIS WAIVER AND UNDERSTAND ITS TERMS; CLIENT HAS HAD THE OPPORTUNITY TO REVIEW THIS WAIVER WITH LEGAL AND OTHER PERSONAL ADVISORS OF CLIENT'S OWN CHOOSING; CLIENT UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, CLIENT IS RELEASING L5RE AND OTHER RELEASED PARTIES OF ALL CLAIMS AGAINST THEM; CLIENT HAS BEEN GIVEN SUFFICIENT TIME TO CONSIDER THE TERMS AND EFFECT OF THIS WAIVER AND VOLUNTARILY AGREES TO ITS TERMS. THIS WAIVER SHALL CONTINUE IN FULL FORCE AND EFFECT NOTWITHSTANDING ANY TERMINATION OF THE LEASE, VENDOR AGREEMENT, OR THE FRANCHISE AGREEMENT.

CLIENT:

By: ____________________
Name: ____________________
Title: ____________________

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, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

California	Pending
Florida	~~Pending~~2/12/2021
Hawaii	~~Pending~~2/10/2021
Illinois	~~Pending~~3/10/2021
Indiana	2/1/2021
Kentucky	1/29/2021
Maryland	Pending
Michigan	~~Pending~~2/1/2021
Minnesota	Pending
Nebraska	2/1/2021
New York	Pending
Rhode Island	2/2/2021
Texas	1/29/2021
Virginia	Pending
Utah	1/29/2021
Washington	Pending
Wisconsin	1/29/2021

EXHIBIT ~~I~~J TO HEYDAY®
FRANCHISE DISCLOSURE DOCUMENT
RECEIPT PAGES

RECEIPT
(Your copy to keep)

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If Heyday Franchise LLC offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with Franchisor or an affiliate in connection with the proposed franchise sale. Under New York, Michigan and Rhode Island law, Heyday Franchise LLC must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before signing any contract or making any payment relating to the franchise relationship.

If Heyday Franchise LLC does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit B. Franchisor's agents for service of process are listed in Exhibit B.

The franchise sellers are Sean Bock at 4455 East Camelback Rd., Suite 215A, Phoenix, AZ 85018, sean@heydayskincare.com, (602) 505-4325 and ________________________________.

Issuance Date: January 28, 2021

I received a disclosure document Issued on January 28, 2021, that included the following Exhibits:

EXHIBIT A	Table of Contents of Manuals
EXHIBIT B	List of State Administrators/ Agents for Service of Process
EXHIBIT C	Franchise Agreement
EXHIBIT D	Development Rights Agreement
EXHIBIT E	Financial Statements
EXHIBIT F	General Release
EXHIBIT G	List of Franchisees
EXHIBIT H	~~State Effective Dates~~Real Estate Services Vendor Agreement
EXHIBIT I	State Effective Dates
EXHIBIT J	Receipt

PROSPECTIVE FRANCHISEE	**PROSPECTIVE FRANCHISEE**
______________________________	______________________________
Print Name: ______________________	**Print Name: ______________________**
Date: __________________________	**Date: __________________________**

RECEIPT
(Please Return to Us)

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If Heyday Franchise LLC offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with Franchisor or an affiliate in connection with the proposed franchise sale. Under New York, Michigan and Rhode Island law, Heyday Franchise LLC must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before signing any contract or making any payment relating to the franchise relationship.

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PROSPECTIVE FRANCHISEE	**PROSPECTIVE FRANCHISEE**
______________________________	______________________________
Print Name: ______________________	**Print Name: ______________________**
Date: ___________________________	**Date: ___________________________**