

FRANCHISE DISCLOSURE DOCUMENT

J. HILBURN

J.Hilburn Franchise, Inc.
A Delaware corporation
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The franchise offered is for an independent stylist to operate a studio under the “J.HILBURN®” name at and from which stylists market and sell luxury custom made-to-measure and ready-to-wear men’s apparel.

The total investment necessary to begin operation of a J.HILBURN® Studio is \$45,920 to \$231,707. This includes \$32,620 to \$82,907 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact the Franchise Team at franchise@jhilburn.com, (866) 789-5381.

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

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

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

Issuance date: April 17, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The Franchise Studio Agreement requires you to resolve disputes with the franchisor by mediation or arbitration only in Dallas, Texas. Out-of-state mediation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or arbitrate with the franchisor in Dallas, Texas than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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Item 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The franchisor is J.Hilburn Franchise, Inc. (“we,” “us,” or “our”). “You” means the entity to which we grant a franchise. Your owners must sign our “Guaranty.” This means all or some of our Franchise Studio Agreement’s provisions (Exhibit A) also will apply to your owners.

We are a Delaware corporation formed on February 25, 2026. Our principal business address is 883 Trinity Drive, Lewisville, Texas 75056. We conduct business under our corporate name and the J.HILBURN® trademark and under no other name. Our parent company is JH Apparel Holdings LLC, a Delaware corporation whose principal business address is the same as ours. We have no predecessors. If we have an agent in your state for service of process, we disclose that agent in Exhibit F.

The Franchise Offered

We grant franchises for the operation of a J.HILBURN® Studio at and from which one or more stylist franchisees market and sell the luxury, custom, made-to measure, and ready-to-wear men’s apparel we require. (Up to 3 other stylist franchisees also may operate their franchised businesses under separate Franchise Studio Agreements from the same Studio premises at which you operate. You will decide whether you want to be the only stylist franchisee operating from a specific Studio premises—and to be responsible for all related costs—or prefer to share possession of the Studio’s premises and related costs with other stylist franchisees.)

We refer to your J.HILBURN Studio as the “Studio.” J.HILBURN Studios operate under the trademarks, service marks, and other commercial symbols we periodically designate (the “Marks”) and follow mandatory specifications, standards, requirements, techniques, policies, and procedures we periodically specify (“System Standards”), which are part of our Brand Guidelines.

We have offered franchises for J.HILBURN Studios since April 2026. We have no other material business activities and have not offered franchises in other lines of business. We have never operated a J.HILBURN Studio.

Our only affiliate disclosable in this Item 1 is J.Hilburn, Inc., which shares our principal business address. J.Hilburn, Inc. owns the intellectual property associated with the J.HILBURN Studio brand and allows us to use and sublicense that intellectual property in our franchise program. J.Hilburn, Inc. produces and sells the custom made-to-measure and ready-to-wear men’s apparel ordered by the customers of our stylist franchisees and pays our stylist franchisees certain volume commissions on their customer sales. J. Hilburn, Inc. also sells furniture, signage, and branded supplies to our franchisees for their Studio operations. J.Hilburn, Inc. has owned and operated one or more J.HILBURN Studios since June 2016. It has not offered franchises in any line of business. However, J.Hilburn, Inc. also operates a non-Studio-based independent stylist business model in which a stylist sells J.HILBURN garments as a “direct seller,” as defined under federal law. A small number of these direct seller stylists operate at a physical location that do not follow any brand or operational guidelines.

Nature of Market and Competition

Your Studio will offer and sell J.HILBURN brand luxury custom made-to-measure and ready-to-wear men's apparel to men in the Studio's local community throughout the year. The market for J.HILBURN brand menswear products is well-established in certain regions but developing in others. Our brand's target market consists of professionals, executives, and entrepreneurs seeking personalized clothing that offers premium-quality materials and superior craftsmanship and fit. While bespoke made-to-measure clothing is available year-round, demand for certain products such as suits, jackets, and outerwear tends to peak during the fall and winter seasons.

Your Studio will compete (1) directly with other high-end made-to-measure or bespoke menswear brands offering custom tailoring and personalized services at physical locations or online, local tailors and alteration shops, and other independent custom clothing providers and (2) indirectly with high-end, off-the-rack fashion brands offering premium quality and brand reputation.

Laws and Regulations

J.HILBURN Studios must comply with (1) consumer protection regulations related to advertising, product labeling, and sales practices (including those relating to returns, refunds, and warranties), (2) textile and apparel regulations (for example, the Textile Fiber Products Identification Act) ensuring that all clothing sold has proper labeling, including the fiber content, country of origin, and care instructions, (3) environmental regulations related to waste disposal, the use of dyes, and textile manufacturing processes, and (4) local, state, and federal health, sanitation, and other laws generally applicable to all businesses.

Item 2 **BUSINESS EXPERIENCE**

Simon Kneen: Brand President

Mr. Kneen has been our Brand President since our formation in February 2026. He also has been Chief Creative Officer for our affiliate J.Hilburn, Inc., located in Lewisville, Texas, since February 2019.

Diana Aziz: Chief Commercial Officer

Ms. Aziz has been our Chief Commercial Officer since our formation in February 2026. She also has been Chief Commercial Officer for our affiliate J.Hilburn, Inc., located in Lewisville, Texas, since July 2025. Ms. Aziz was Vice President of Wholesale for The Shade Store, located in Ft. Lauderdale, Florida, from September 2021 to July 2025 and Director of Retail Operations NA for Prada Group, located in New York, New York, from February 2018 to September 2021.

Nate Lucas: Chief Technology Officer

Mr. Lucas has been our Chief Technology Officer since our formation in February 2026. He also has been Chief Technology Officer for our affiliate J.Hilburn, Inc., located in Lewisville, Texas, since March 2025 and has been a Principal of Lucasport, located in Oakton, Virginia, since May 2021. Mr. Lucas was Vice President of Product for Petmeds, located in Delray Beach, Florida, from October 2023 to June 2024 and Senior Director IT & Product for Rosetta Store, located in Rosslyn, Virginia, from June 2017 to May 2021.

Jerry Huang: Chief Executive Officer

Mr. Huang has been our Chief Executive Officer since our formation in February 2026. He also has been Chief Technical Officer for The Apparel Group, Ltd., located in Lewisville, Texas, since January 2020.

Item 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

Item 4 **BANKRUPTCY**

In re: J.Hilburn, Inc. (United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case Number 20-31308-hdh-11, filed April 30, 2020). Our affiliate J.Hilburn, Inc., which shares our principal business address, filed this voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. On May 21, 2020, J.Hilburn, Inc. filed its First Amended Plan of Reorganization. On July 1, 2020, the bankruptcy court entered an order confirming the Plan of Reorganization, the effective date of which was July 15, 2020. All of the material requirements for consummation of the Plan of Reorganization having been met, the bankruptcy court issued a Final Decree on February 25, 2021, formally closing the bankruptcy case. (Mr. Kneen and Mr. Huang, disclosed in Item 2, were principal officers of J.Hilburn, Inc. when it filed this bankruptcy case and when the case ended.)

Except for this one action, no bankruptcy is required to be disclosed in this Item.

Item 5 **INITIAL FEES**

Our standard initial franchise fee is \$500, which you must pay us in a lump sum when you sign the Franchise Studio Agreement. You also must pay us a \$10,100 initial merchandise fee in a lump sum when you sign the Franchise Studio Agreement. This fee is for the first-year comprehensive set of brand-approved sales tools. These fees are not refundable under any circumstances. However, as described below in this Item 5, you might be able to “earn out” of having to make these required payments.

If another franchisee stylist begins operating its franchise at your Studio after you paid the initial merchandise fee, we will not charge that other stylist franchisee its own initial

merchandise fee. You will determine with that other stylist franchisee whether there should be a sharing or reimbursement of the fee you already paid.

Before opening your Studio, you must purchase furniture, signage, and branded supplies from J.Hilburn, Inc. in order to construct, develop, and begin operating your Studio. The cost is estimated at \$32,620 to \$72,307. These payments are not refundable.

The exceptions to your required payment of the initial franchise fee and initial merchandise fee are described as follows:

Existing Location-Based Personal Stylist Converting to Studio

If you currently operate as a personal stylist at a location and convert to become a stylist franchisee operating at a franchised Studio, we will:

- (i) waive the \$500 initial franchise fee; and
- (ii) defer your payment of the \$10,100 initial merchandise fee for one year from the Franchise Studio Agreement's effective date (the "Deferral Period"). If you have achieved Qualified Personal Sales Volume of at least \$250,000 as of the end of the Deferral Period, we will permanently waive that initial merchandise fee. If not, you must pay the full \$10,100 within 5 days after the Deferral Period ends. "Qualified Personal Sales Volume" means the total selling price of all products and services you personally sold at or through a Studio.

Personal Stylists Acquiring New Franchised Studio

If you are a personal stylist involved in opening one of the first 10 new franchised Studios, we will:

- (i) defer your payment of the \$500 initial franchise fee for one year from the Franchise Studio Agreement's effective date (the "Deferral Period"). If you have achieved Qualified Personal Sales Volume of at least \$250,000 as of the end of the Deferral Period, we will permanently waive that initial franchise fee. If not, you must pay the full \$500 within 5 days after the Deferral Period ends.
- (ii) defer your payment of the \$10,100 initial merchandise fee for the Deferral Period. If you have achieved Qualified Personal Sales Volume of at least \$250,000 as of the end of the Deferral Period, we will permanently waive that initial merchandise fee (or your allocable portion if multiple stylist franchisees operate from the Studio). If not, you must pay the full \$10,100 (or your allocable portion) within 5 days after the Deferral Period ends.

[Item 6 begins on next page]

Item 6
OTHER FEES

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Annual Merchandise Fee	\$4,600 per year, subject to 10% increases each year after the 1 st year ⁽²⁾	On anniversary date of each year of franchise term	This is for the then-current package of 8 annual seasonal looks. If another stylist franchisee begins operating its franchise at your Studio after you paid the annual merchandise fee, we will not charge that other stylist franchisee its own annual merchandise fee. You will determine with that other stylist franchisee whether it should share or reimburse the fee you already paid.
Annual Inspection Fee	\$500 ⁽³⁾	On anniversary date of each year of franchise term	This is to inspect your Studio.
Technology/ Systems Fee	\$0 (We may charge up to \$500 per year)	Due annually upon notice	The Technology Fee is for technology products or services we provide to you. We currently do not charge this fee.
Technology Maintenance and Support Services	\$0 (We may charge up to \$500 per year)	As incurred	We and our affiliates may charge you for technology maintenance and support services and programs provided during the franchise term. We currently do not charge this fee.
Renewal Fee	\$500 plus all amounts necessary to reimburse our costs for reasonable out-of-pocket costs and expenses associated with the renewal, including legal and accounting fees	When you renew franchise (if you have that right)	
Transfer	Actual out-of-pocket cost reimbursement	As incurred	Due for any costs we incur in transfer process. There is no fixed transfer fee.

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Additional/ Optional Training	\$0 (We may charge up to \$500 per day, plus our out-of-pocket expenses (for example, travel, accommodations, and meals))	As incurred	We may charge you for additional and optional training and assistance.
Meetings and Conferences	\$0 to \$1,000 per person attendance; does not include your actual out-of-pocket attendance costs paid to third parties, including your travel and accommodations	As incurred	We encourage you to attend periodic system-wide meetings and conferences we designate for which we may charge attendance fees.
Product and Service Purchases	Varies depending on products and services you buy from us or our affiliates	As incurred	During the franchise term, you must buy certain products and services from us or our affiliates, from designated or approved distributors and suppliers, or according to our standards and specifications. If we or our affiliates sell products or services to you during the franchise term, as described in Item 8, we or our affiliates will give you a price list identifying the applicable prices.
Unauthorized Product/Service Fee	\$1,000 per day	As incurred	We may charge this amount for each day you sell an unauthorized product or offer an unauthorized service at or through the Studio.
Unauthorized Advertising Fee	\$1,000 per occurrence	As incurred	We may charge this amount if you engage in unauthorized advertising activities more than 3 times within a year.
Relocation	Actual out-of-pocket cost reimbursement	As incurred	Due for any costs we incur in relocation approval.
Inspection	Actual out-of-pocket cost reimbursement for mystery shopper	As incurred	If the Studio fails a mystery shopper inspection, you must reimburse our costs for the mystery shopper.

Column 1	Column 2	Column 3	Column 4
Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Interest	Lesser of 18% per annum or maximum contract interest rate law allows	When invoiced	Due on past due amounts.
Late Fee	\$150	When invoiced	Due for each late or dishonored payment.
Costs and Attorneys' Fees	Actual cost reimbursement amount varies under circumstances and depends on nature of your non-compliance	As incurred	Due when you do not comply with Franchise Studio Agreement.
Indemnification	Actual cost reimbursement amount varies under circumstances and depends on nature of third-party claim	As incurred	You must reimburse us for all claims and losses arising from your operation of the Studio, breach of the Franchise Studio Agreement, or other improper conduct.
Reimbursement of Renovation Expenses	Actual out-of-pocket cost reimbursement	As incurred	You must reimburse our costs if we must upgrade or refurbish the Studio for you.
Reimbursement of Costs of Third-Party Suppliers and Service Providers	Actual out-of-pocket cost reimbursement plus administrative fee not to exceed 10% of reimbursement amount	As incurred	If we must pay your suppliers or service providers because you fail to do so.
Tax Reimbursement	Actual out-of-pocket cost reimbursement	As incurred	You must indemnify us against any penalties, interest, and expenses we incur due to your failure to pay required taxes.
De-Identification Fee	Actual out-of-pocket cost reimbursement	As incurred	You must reimburse our costs of de-identifying your Studio if you fail to do so.

Notes:

1. Except as noted above, (a) all fees are imposed and collected by and payable to us or an affiliate, and (b) we and our affiliates currently do not impose any fees or payments on, or collect any fees or payments from, you on behalf of unaffiliated third parties. However, we reserve the right to do so. No fee in this chart is refundable. All fees represent our current offering and generally are uniformly imposed.

You must sign our electronic transfer of funds authorization and other documents necessary for us to withdraw from your bank account any amounts due to us and our affiliates. You must pay all expenses associated with the electronic funds transfer.

2. If you currently operate as a personal stylist at a non-branded location and convert to become a stylist franchisee operating at a franchised Studio, or if you are a personal stylist opening one of the first 10 new franchised Studios, we will defer your payment of the then-applicable annual merchandise fee for each of the 2nd and 3rd years of the franchise term (the “Annual Deferral Period”). If you have achieved Qualified Personal Sales Volume of at least \$250,000 as of the end of the applicable Annual Deferral Period, we will permanently waive the annual merchandise fee due for that specific year. If not, you must pay the full fee within 5 days after the Annual Deferral Period ends.

3. If you currently operate as a personal stylist at a non-branded location and convert to become a stylist franchisee operating at a franchised Studio, we will defer your payment of the \$500 annual inspection fee for one year from each anniversary date of the Franchise Studio Agreement’s effective date (the “Annual Deferral Period”). If you have achieved Qualified Personal Sales Volume of at least \$250,000 as of the end of the Annual Deferral Period, we will permanently waive that annual inspection fee due for that year. If not, you must pay the full \$500 within 5 days after the Annual Deferral Period ends.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$500	Lump sum	Upon signing Franchise Studio Agreement or One Year After Franchise Studio Agreement Effective Date (if no Earn-Out)	Us
First and Last Months’ Rent and Security Deposit ⁽²⁾	\$4,500 - \$24,000	As arranged	As incurred	Landlord

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Leasehold Improvements ⁽³⁾	\$1,000 - \$50,000	As arranged	As incurred	Contractors
Architect Fee	\$0 - \$5,000	Lum sum	As incurred	Architect
Furniture and Equipment ⁽⁴⁾	\$13,920 - \$40,607	Lum sum	As incurred	Designated or Approved Suppliers, including Our Affiliate
Signage (interior and exterior) ⁽⁵⁾	\$3,200 - \$15,000	Lump sum	As incurred	Designated or Approved Suppliers, including Our Affiliate
Systems ⁽⁶⁾	\$0 - \$1,000	Lump sum	As incurred	Designated or Approved Suppliers
Initial Merchandise Fee (Product Samples)	\$10,100	Lump sum	Upon signing Franchise Studio Agreement or One Year After Franchise Studio Agreement Effective Date (if no Earn-Out)	Our Affiliate
Optional Additional Product Samples ⁽⁷⁾	\$0 - \$5,000	Lump sum	As incurred	Our Affiliate
Branded Supplies ⁽⁸⁾	\$800 - \$2,000	Lump sum	As incurred	Our Affiliate

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Grand Opening Advertising ⁽⁹⁾	\$500 - \$5,000	As arranged	As incurred	Third Party
Insurance Deposits and Premiums ⁽¹⁰⁾	\$1,800 - \$6,000	As arranged	As incurred	Insurance Company
Pre-Opening Travel Expenses ⁽¹¹⁾	\$0 - \$5,000	As incurred	As incurred	Vendors
Professional Fees ⁽¹²⁾	\$300 - \$6,500	As arranged	As incurred	Third Parties
Business Permits and Licenses ⁽¹³⁾	\$300 - \$3,000	Lump sum	As incurred	Licensing Authorities
Miscellaneous Opening Costs	\$0 - \$5,000	Lump sum	As incurred	Vendors
Additional Funds—3 Months ⁽¹⁴⁾	\$9,000 - \$48,000	As incurred	As incurred	Vendors and Our Affiliate
Total Estimated Initial Investment (including real estate lease costs) ⁽¹⁵⁾	\$45,920 - \$231,707			

- Except for security deposit, no expenditure in the table is refundable.

Explanatory Notes to Table:

Note 1: The initial franchise fee for a J.HILBURN Studio is \$500. If you already operate as an independent stylist at a non-branded physical location, we will waive the initial franchise fee. If you are a personal stylist involved in opening one of the first 10 new franchised Studios, you will have one year to “earn out” of having to pay the initial franchise fee under the circumstances described in Item 5.

Note 2: A typical J.HILBURN Studio occupies approximately 600 to 1,200 square feet of leased space. The preferred location is a shopping center, strip center, or street front location in an urban or suburban market where our brand will be properly represented. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and related factors. Your lease negotiations with your landlord and the Studio’s size and market area will determine when your lease payments begin. We do not expect the lease to be “build-to-suit.” This initial investment table does not reflect the potential purchase cost of real estate because we do not expect you to buy the Studio site.

Real property costs vary considerably according to geographic location and immediate surrounding factors, such as traffic, property values, and demographics. Factors typically affecting your initial investment include your cost to negotiate the lease, local real estate market values, terms under which other locations have been leased, how the costs of site improvements are allocated between landlord and tenant, interest costs, and the parties’ negotiations. Lease terms are individually negotiated and may vary from one location or transaction to another.

Commercial leases are typically “triple net” leases, requiring you to pay rent, all taxes, insurance, maintenance, repairs, common-area-maintenance costs, merchants’ association fees, and all other costs associated with the property. You might also have to pay percentage rent and make an initial payment into an escrow fund to cover estimated real estate taxes.

Note 3: The estimate includes amounts for leasehold improvements. We expect you to lease the Studio’s site from the landlord in good condition (a “Vanilla Box”). “Vanilla Box” refers to a commercial building with a minimally-finished interior, i.e., usually with ceilings, lighting, plumbing, heating and cooling (HVAC), interior walls (painted or unpainted), electrical outlets, restrooms, and a concrete floor. We expect the Vanilla Box to have certain specifications detailed in the Operations Manual. This estimate covers both materials and labor. Leasehold improvement costs—which could include floor and window covering, wall treatment, counters, ceilings, painting, venting, electrical, carpentry, and similar work, and contractor’s fees—depend on the site’s condition, location, and size; the demand for the site among prospective lessees; cost per square foot; the site’s previous use; the build-out required to conform the site for your Studio; and any construction or other allowances the landlord grants. Your costs will depend on where you plan to operate your Studio.

Note 4: This amount is for various furniture and fixtures for the Studio’s space, including workstations, rolling bust forms, racks, tables, and chairs. This estimate does not include delivery costs or applicable sales taxes.

Note 5: This amount is for interior and exterior J.Hilburn branded signage. This estimate does not include delivery costs or applicable sales taxes.

Note 6: This amount is for the technology described in Item 11. This estimate does not include delivery costs or applicable sales taxes.

Note 7: This amount is for additional sample inventory beyond the inventory you receive for the Initial Merchandise Fee. You need not acquire this additional sample inventory. This estimate does not include delivery costs or applicable sales taxes.

Note 8: This amount is for branded supplies such as hangers and garment bags. This estimate does not include delivery costs or applicable sales taxes.

Note 9: We recommend that you spend this minimum amount for your Studio's grand opening advertising program.

Note 10: You must obtain and maintain certain types and amounts of insurance coverage (described in Item 8). Insurance costs depend on policy limits, types of policies, nature and value of physical assets, number of employees, square footage, location, business contents, and other factors affecting risk exposure. The estimate covers a full year's estimated premium. You should check with your insurance agent regarding alternative payment options (for example, quarterly or semi-annually) and additional insurance you might need or want to obtain above our stated minimums.

Note 11: This estimated range is for up to 5 people to attend our initial training program for approximately 3 days at our corporate office in Texas.

Note 12: This covers fees for attorneys and accountants.

Note 13: This covers the costs of various permits and licenses you need to open and begin operating your Studio.

Note 14: This line-item estimates the funds needed to cover your other pre-opening expenses as well as initial expenses during the first 3 months of operation (other than the items identified separately in the table), including rent, insurance, supplies, and utilities. These expenses do not include any draw or salary for you. We relied on our affiliate's J.HILBURN Studio development and operating experience since 2016 to compile this Additional Funds estimate.

Note 15: We do not offer financing directly or indirectly for any part of the initial investment.

[Item 8 begins on next page]

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Designated and Approved Suppliers

You must purchase all products; fixtures, furniture, interior and exterior signage, graphics, and décor required by our design specifications; advertising and promotional materials, gift certificates, and stationery and packaging bearing the Marks; and all other goods and/or services we expressly require from suppliers we approve or designate (which can include us or our affiliates). If you want to purchase from a supplier we have not previously approved, you must get our prior written approval based on compatibility with our Brand Guidelines and other criteria.

We periodically may change the System and System Standards, the other Brand Guidelines, the Studio Operations Manual, and the products and services offered by a J.HILBURN Studio. You must comply at your expense with all such modifications, including replacing equipment, remodeling, and redecorating. If we notify you in writing of any such System changes, you must implement and complete them within the timeframe we reasonably specify.

Studio Development

You must construct and/or renovate the Studio at your expense in accordance with our System Standards. You are responsible for obtaining all zoning classifications, permits, and clearances, including certificates of occupancy, required by applicable law.

Studio Operations

You must operate the Studio according to our System Standards, other Brand Guidelines, and the Studio Operations Manual to ensure that the highest degree of quality and service is uniformly maintained. You must keep the Studio's interior and exterior and surrounding area in good condition and repair; sell and offer for sale only the products and services meeting our uniform system and standards of quality and quantity; purchase, install, and update at your expense all fixtures, furnishings, décor, signs, equipment, and technology systems we reasonably require; use the Studio's premises only to operate the Studio; and keep the Studio open and operational for the minimum number of hours and days we require.

Purchases

You currently must buy or lease all of the Studio's furniture (for example, workstations, chairs, rolling racks, and bust forms), interior and exterior signage, branded supplies like hangers and garment bags, and clothing only from J.Hilburn, Inc. We are not a designated or approved supplier of any product or service. We generally do not restrict the sources of any other items or services you need to develop and operate the Studio.

No officer of ours owns any interest in any supplier to the franchise system.

Participation in Promotion

You must at all times actively participate in any and all sales, public relations, advertising, marketing, or promotional programs implemented by us and our affiliates.

Gift Cards, Credits, and Client Retention

You must at your expense participate in, and comply with the requirements of, any gift card, credits, and client retention program we or our affiliates implement for the System. You must honor gift cards and credits by other J.HILBURN Studio locations or personal stylists. You may not issue or offer any gift certificate, gift card, or client loyalty or retention program without prior notice to us. We have the right to stop any such program if we determine it does not meet System Standards, could damage our reputation, or violates any law.

Advertising and Marketing

Your advertising and marketing must conform to our required standards. You may not advertise in a medium (electronic or otherwise) we have not approved, must send us for prior written approval all samples of advertising or promotions we have not previously approved, and may not use any materials or engage in any programs we have disapproved. We may require you to discontinue immediately any advertising or marketing containing the Marks which does not meet our System Standards and/or may impose a fee for improper advertising.

Insurance

Before you begin constructing the Studio and during the entire franchise term, you must acquire and maintain insurance coverage for the Studio at your own expense in the amounts, covering the risks, and with the exclusions and maximum deductibles we periodically specify. Your insurance carriers must be licensed to do business in the Studio's state and be rated "A (V)" or better by A.M. Best and Company, Inc. (or satisfy our other criteria). We may increase the required coverage amounts and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or relevant changes in circumstances. Insurance policies must name us and our designated affiliates as additional insureds and give us 60 days' prior written notice of material modification, cancellation, or non-renewal and notice of non-payment. You must send us a valid insurance certificate or duplicate insurance policy showing required coverage and payment of premiums.

You currently must have Commercial General Liability—no less than \$1,000,000/occurrence and \$2,000,000 aggregate—with the following endorsements: the additional insured coverage for J.Hilburn, Inc. and its affiliates and their respective owners, directors, managers, officers, employees, agents, successors, and assignees will include premises-operations, contractual liability, independent contractors, and products and completed operations. You also must have any insurance required by law where the Studio operates.

Supplier Approval and Compliance with Brand Standards

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Studio that you currently must buy or lease from us (or our affiliates) or designated or approved suppliers. To maintain the quality of J.HILBURN Studio products and services and our brand's reputation, all operating assets, products, and services your Studio uses or sells (besides those described above that you currently may obtain only from us, our affiliates, and/or approved and designated suppliers) must meet our minimum standards and specifications, which we issue and modify based on our, our affiliates', and our franchisees' experience in operating J.HILBURN Studios. Standards and specifications may impose minimum requirements for production, performance, safety, reputation, prices, quality, design, and appearance. Our Studio Operations Manual and written and online communications will identify our standards and specifications for you. When appropriate and authorized, you may provide those standards and specifications to suppliers if they agree to maintain confidentiality.

We currently do not have a process or criteria in place for approving or rejecting new suppliers or distributors you propose or evaluating new items or services you want to use in operating your Studio. However, your operations must at all times conform to our minimum System Standards and Brand Guidelines.

Revenue from Supply Chain

We and our affiliates may receive (i) a profit from goods, products, and/or services we sell or lease directly to you and (ii) consideration from suppliers and/or manufacturers related to their sale of goods, products, and/or services to you, the promotion of goods, products, and/or services by the System, or services provided or rights licensed to such persons. That consideration may or may not be related to services that we and our affiliates perform. All amounts received from suppliers will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate.

Because we did not begin our franchise program until 2026, we and our affiliates did not receive any revenue during 2025 either from selling or leasing any items or services directly to our franchisees or from suppliers who did business with franchisees. There are no arrangements formally in place with unaffiliated suppliers as of this disclosure document's issuance date under which we or our affiliates will receive payments from those suppliers on account of their prospective dealings with our franchisees.

Collectively, your purchases and leases from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent approximately 50% to 75% of your overall purchases and leases to establish and then operate the Studio.

Negotiation of Purchase Arrangements

There currently are no purchasing or distribution cooperatives. We and our affiliates currently do not negotiate purchase arrangements with suppliers (including price terms) for any items or services.

We do not provide material benefits to a franchisee (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	5 of Franchise Studio Agreement	7, 8, 11, and 12
b. Pre-opening purchases/leases	8(e) and (f) and 11 of Franchise Studio Agreement	5, 7, 8, and 11
c. Site development and other pre-opening requirements	6 of Franchise Studio Agreement	7, 8, and 11
d. Initial and ongoing training	7 of Franchise Studio Agreement	6, 7, and 11
e. Opening	6(e) and Exhibit F of Franchise Studio Agreement	11 and 12
f. Fees	3(b), 4, 5(c), 7(b), (c), (d), and (e), 8(e), (f), (i), (j), (k), and (s), 10(b), 11(a), 15(f), 16, 18(c)(vii), 20(b), (i), and (m), and 21(g) of Franchise Studio Agreement, 2, 3, 4, and 5 of Existing Studio Owner Conversion and Promotion Addendum, and 1, 2, and 3 of New Studio Owner Promotion Addendum	5, 6, 7, 8, and 11
g. Compliance with standards and policies/operating manual	2(f) and 8(d) and (e) of Franchise Studio Agreement	8 and 11
h. Trademarks and proprietary information	9 and 15(a) of Franchise Studio Agreement	13 and 14
i. Restrictions on products/services offered	2(f) and 8(e) of Franchise Studio Agreement	8, 11, and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	3(b)(iii) and Exhibit D of Franchise Studio Agreement, 3, 4, and 5 of Existing Studio Owner Conversion and Promotion Addendum, and 1, 2, and 3 of New Studio Owner Promotion Addendum	11, 12, and 17(c)

Obligation	Section in agreement	Disclosure document item
l. On-going product/service purchases	2(f) and 8(e) and (f) of Franchise Studio Agreement	6 and 8
m. Maintenance, appearance and remodeling requirements	3(b)(iv) and 8(e), (i), and (j) of Franchise Studio Agreement	8, 11, and 17
n. Insurance	17 and Exhibit H of Franchise Studio Agreement	7 and 8
o. Advertising	8(l) and 10 of Franchise Studio Agreement	6, 7, 8, and 11
p. Indemnification	16 of Franchise Studio Agreement	6
q. Owner's participation/management/staffing	8(a), (b), (c), and (e)(ii) of Franchise Studio Agreement	11 and 15
r. Records and reports	13 of Franchise Studio Agreement	6
s. Inspections and audits	8(k) of Franchise Studio Agreement	6
t. Transfer	18 of Franchise Studio Agreement	6 and 17
u. Renewal	3(b) of Franchise Studio Agreement	6 and 17
v. Post-termination obligations	20 of Franchise Studio Agreement	6 and 17
w. Non-competition covenants	15 and 20(j) of Franchise Studio Agreement	15 and 17
x. Dispute resolution	21 of Franchise Studio Agreement	17
y. Client Data	8(r) of Franchise Studio Agreement	Not Applicable
z. Owner Guaranty	Exhibit G of Franchise Studio Agreement	15
aa. Compliance with Privacy Laws	8(q) of Franchise Studio Agreement	Not Applicable
bb. Compliance with Anti-Corruption, Anti-Money Laundering, and Anti-Terrorism Laws	23(d) of Franchise Studio Agreement	Not Applicable
cc. Gift Cards, Clients, and Client Retention	8(m) of Franchise Studio Agreement	8

Item 10 **FINANCING**

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

Item 11
**FRANCHISOR’S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING**

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

Pre-Opening Assistance

Before you begin operating the Studio, we will (directly or through an affiliate or other third party):

1. Review potential Studio sites that you propose. Before you sign the Franchise Studio Agreement, you must suggest a location for the Studio’s premises. (Franchise Studio Agreement—Section 5(a)) We will give you our then-current criteria for J.HILBURN Studios (including minimum site square footage, population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, ingress and egress, size, and other physical and commercial characteristics) to help in the site-selection process.

We will use reasonable efforts to review and accept or reject each site you propose within 30 days after we receive all requested information and materials. If we do not accept the site in writing within those 30 days, the site is deemed rejected. We will not unreasonably withhold our acceptance of a site. We do not own locations for lease to franchisees.

You may choose to operate your business from an existing Studio site already selected, secured, and developed by another stylist franchisee if that franchisee consents. You will make the financial and arrangements for that “joint tenancy” directly with the incumbent stylist franchisee.

2. After we approve your Studio’s site, you must send us a proposed lease (the “Lease”) for approval, containing our required terms (Franchise Studio Agreement—Exhibit E), within 30 days after the Franchise Studio Agreement’s effective date. You must send us a fully-signed Lease within 5 days after we approve the Lease and within 40 days after the Franchise Studio Agreement’s effective date. (Franchise Studio Agreement—Section 5(b)) If you do not send us a fully-signed Lease within this timeframe, we may terminate the Agreement and seek reimbursement for our costs relating to signing the Agreement and/or inspecting your site. We have absolute discretion in approving any proposed site, and our decision is final.

This process does not apply if you choose to operate your business from an existing Studio site already selected, secured, and developed by another stylist franchisee.

3. Give you our System Standards for constructing and renovating the Studio, which you must begin within 30 days after the Lease is signed and complete within 90 days after the Lease is signed. (Franchise Studio Agreement—Section 6(a))

You are solely responsible for complying with all laws. We do not conform the Studio's premises to local ordinances and building codes or obtain required permits for you. This process does not apply if you choose to operate your business from an existing Studio site already selected, secured, and developed by another stylist franchisee.

4. Provide initial training for you or your owners. We describe this training later in this Item. (Franchise Studio Agreement—Section 7)

5. Identify the operating assets, inventory, supplies, and other products and services you must use to develop and operate the Studio, the minimum standards and specifications you must satisfy, and the designated and approved manufacturers, suppliers, and distributors from which you must or may buy or lease items and services (which may include or be limited to us and/or our affiliates). (Franchise Studio Agreement—Sections 8(e)(v) and 8(f)) As noted in Item 8, J.Hilburn, Inc. will sell and deliver to you all of the Studio's furniture (for example, workstations, chairs, rolling racks, and bust forms), interior and exterior signage, branded supplies like hangers and garment bags, and clothing. It may install such items and will provide direction for you to comply with our Brand Guidelines.

6. Give you access to our System Standards, other Brand Guidelines and the Studio Operations Manual. While we may modify System Standards, other Brand Guidelines, and the Studio Operations Manual periodically to reflect changes, those modifications will not alter your fundamental rights or status under the Franchise Studio Agreement. If there is a dispute over the Studio Operations Manual, our master version controls. The Studio Operations Manual currently contains the equivalent of approximately 160 total pages; its current table of contents is Exhibit E. (Franchise Studio Agreement—Sections 7(a), 8(d), and 8(t))

Opening

You must open the Studio for business no later than 180 days after the Franchise Studio Agreement's effective date (we do not yet know what the typical timeframe will be for opening after the Franchise Studio Agreement is signed). Your opening timetable depends on how quickly you finalize the Studio's lease; the Studio's condition and upgrading and remodeling requirements; the Studio's construction and build-out schedule; obtaining licenses; the delivery schedule for operating assets and supplies; attending and completing training; when you obtain a certificate of occupancy; and complying with local laws and regulations. (Franchise Studio Agreement—Section 6(e) and Exhibit F) You may not open the Studio for business until we approve the Studio.

Ongoing Post-Opening Assistance

During your Studio's operation, we will (directly or through an affiliate or other designated third party):

1. Advise you or make recommendations regarding the Studio's operation with respect to standards, specifications, operating procedures, and methods that J.HILBURN Studios use; purchasing required or recommended operating assets and

other products, services, supplies, and materials; training; and accounting, advertising, and marketing. We may guide you through our System Standards, other Brand Guidelines, and Studio Operations Manual, by electronic media, by telephone, and/or at our office or the Studio. (Franchise Studio Agreement—Sections 2(f), 8(d), 8(e), and 8(f))

2. Periodically make other mandatory or optional training available to you and hold periodic system-wide or personal meetings and conferences (for which we may charge fees). (Franchise Studio Agreement—Sections 7(d) and (e))

3. Continue giving you access to our Studio Operations Manual. (Franchise Studio Agreement—Sections 2(f), 7(a), 8(d), and 8(e))

4. Issue and modify System Standards and other Brand Guidelines. Changes in System Standards and other Brand Guidelines may require you to invest additional capital in the Studio and/or incur higher operating costs. You must comply with those obligations within the timeframe we specify. System Standards and other Brand Guidelines may regulate and establish (to the extent the law allows) retail prices for products and services. Your Studio's pricing must be in compliance with the terms of the Franchise Studio Agreement, System Standards, other Brand Guidelines, the Studio Operations Manual, and applicable law. You must honor the terms of all promotional programs we offer to clients. (Franchise Studio Agreement—Sections 2(f), 8(d), and 10(g))

5. Let you use our Marks and other intellectual property. (Franchise Studio Agreement—Sections 9 and 15(a))

6. Let you use our confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"). (Franchise Studio Agreement—Sections 9 and 15(a))

7. Periodically implement sales, public relations, advertising, marketing, or promotional programs, and gift card and client retention programs, that we believe are appropriate for the System. You must participate in such programs as we specify. (Franchise Studio Agreement—Sections 8(l) and (m))

8. Periodically inspect and monitor the Studio's operation. (Franchise Studio Agreement—Section 8(k))

9. Review advertising and marketing materials you want to use. (Franchise Studio Agreement—Section 10(c))

10. Compensate you (via commissions, incentives, and bonuses that are part of our Compensation Plans) for facilitating sales of products and services out of or through the Studio. The Compensation Plans compensate franchisees through, among other things, a tiered commission structure, where earnings are calculated as a percentage of net sales and may include additional incentives based on achieved sales volume thresholds and program participation. The details of the Compensation Plans appear in an

exhibit to the Franchise Studio Agreement. (Franchise Studio Agreement—Section 4(d) and Exhibit D)

Advertising and Marketing Programs

There currently are no advertising programs or brand funds in our franchise system. We have no obligation to conduct any particular advertising anywhere. We periodically may offer approved advertising, marketing, and promotional plans and materials, to be distributed through the media or communication channels we approve. (Franchise Studio Agreement—Section 10(b)) There are no franchisee advertising councils advising us on advertising issues. There are no local or regional advertising cooperatives.

Local Marketing

Your advertising and marketing must conform to our standards and requirements. You may not engage in any form of advertising or marketing containing the Marks or our other intellectual property that does not specifically reference your Studio. You must advise us in advance of such advertising and marketing. You may not advertise in a medium, or use materials, we have not authorized or approved. You must send us samples of any advertising or promotions we have not previously approved.

System Website and Electronic Advertising

We and our affiliates may establish and maintain a website (a “Website”) for the J.Hilburn brand. The Website may identify your Studio by name, geographic region, address, telephone number, email address, or other identifying features. We may link the Website to the websites of third parties and also permit third parties to link to the Website. We may discontinue the Website at any time without liability to you. We and our affiliates will establish written policies and procedures for using the Website. We and our affiliates may use the Website to offer and sell products and services, and accept orders and payment for products and services, directly or indirectly through means of electronic communication. (Franchise Studio Agreement—Section 12(a))

Until we provide specific electronic and digital advertising and marketing materials, you may create and post content on electronic or Internet communication, including blogs, instant message services such as X or Snapchat, and social media sites such as Facebook, X, Pinterest or Instagram (“Digital Marketing”), directly or indirectly displaying or using our Marks, other Intellectual Property or branded Products if the content satisfies our approved guidelines. (Franchise Studio Agreement—Section 10(d)) We may charge you \$1,000 per occurrence if you engage in unauthorized advertising activities more than 3 times within a year. We also may repeal your right to use the Marks in any form of marketing or advertising for the remainder of the franchise term.

Technology System

You must buy and maintain an Apple iPad and related J.Hilburn Order Management app; printers and other peripheral devices; Internet access mode; and front of the house Wi-Fi and other Internet services for clients that we require. We may periodically require that you modify,

upgrade, or change the Technology System at your expense within 60 days or such other timeframe we require. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse your costs. We may charge a technology fee for using the Technology System and/or a systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services we provide. (Franchise Studio Agreement—Section 11)

You will use the J.Hilburn Order Management app in operating the Studio. Because it is our app, we will have continuous, unlimited, independent access to all operational information maintained in the app. There are no contractual limitations on our right to access the information on your Technology System.

We estimate the Technology System's initial cost to range from \$0 to \$1,000. Neither we nor any affiliate has any obligation to provide ongoing maintenance, repairs, upgrades, or updates. The third parties whose computer-related products you buy have no contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates unless you obtain a service contract or a warranty covers the product. We estimate the annual costs for ongoing maintenance, repairs, upgrades, or updates to range from \$0 to \$1,000. The J.Hilburn Order Management app is a CRM (customer relationship management) system that captures client, stylist, order, product, and sales information.

Training

Initial Training Program

Before you open the Studio, you or your owners must complete to our satisfaction initial training we conduct on-line, at your Studio, or at our home office. We will give you our System Standards, other Brand Guidelines, and the Studio Operations Manual. We will not charge you a fee for this initial training. However, we may charge you a reasonable fee for any additional required or optional training. You must pay your own expenses during such training, including travel, lodging, and food. If you do not satisfactorily complete initial training (meaning you do not complete the minimum assignments and tasks as required), we may delay the Studio's opening until the training is satisfactorily completed. (Franchise Studio Agreement—Sections 7(a), (b), and (c))

We expect training to occur after you sign the Franchise Studio Agreement and while you develop the Studio. We plan to be flexible in scheduling training to accommodate both our personnel and you or your owners. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We use manuals, videos, and other hands-on training aids during the training program. Your training attendees must complete training at least 14 days before the Studio's scheduled opening date.

[Training discussion continues on next page]

The following chart describes our current initial training program for stylist franchisees:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the- job Training	Column 4 Location
Business & Staffing Plan Development	3	6	Lewisville, Texas or your Studio
Studio Setup, Milestones and Operations	2	4	Lewisville, Texas or your Studio
Financial Management & Reporting	3	6	Lewisville, Texas or your Studio
Studio Client Experience & Sales Skills	3	6	Lewisville, Texas or your Studio
Marketing Strategy & Client Growth Planning	3	6	Lewisville, Texas or your Studio
Studio Technology & Business Tools	2	4	Lewisville, Texas or your Studio
Networking Plan Development	2	4	Lewisville, Texas or your Studio
Mentorship & Launch Support	3	6	Lewisville, Texas or your Studio
Grand Opening Planning	3	6	Lewisville, Texas or your Studio
Total Hours	24	48	

Simone Pizzuti, Senior Manager, Studio Operations, will administer and supervise franchisee training. Mr. Pizzuti has worked in the J.HILBURN system for 3 years and has experience in all aspects of operating the J.HILBURN model from a fixed location. Others on our training team will assist with hands-on training; they have adequate training and appropriate knowledge to facilitate training in the areas they will teach based on their day-to-day involvement with our system.

Supplemental Training

We periodically may make other mandatory or optional training available to you and reserve the right to charge a fee. You must pay all expenses incurred during such training, including travel, lodging, and meals. We may require you to reimburse us for any related travel,

meals, and lodging expenses if training is requested by and provided specifically for you or your owners.

We and our affiliates may hold periodic system-wide or personal meetings and conferences at locations we designate to address matters of interest to the System. We may require you to pay a reasonable fee for such events. You are responsible for all costs you and your personnel incur in attending such events, including attendance fees, travel, lodging, and meals. (Franchise Studio Agreement—Sections 7(d) and (e))

Item 12

TERRITORY

You will operate the Studio at a specific location that we must approve before you sign the Franchise Studio Agreement. You must send us a proposed lease for that location within 30 days after the Franchise Studio Agreement's effective date and the fully-executed lease within 5 days after our lease approval and 40 days after the Franchise Studio Agreement's effective date. We have the right to terminate the Franchise Studio Agreement if you miss these deadlines.

You must operate the Studio only at that location and may not relocate the Studio without our prior written consent, which we have the right to grant or deny as we deem best. Whether or not we would allow relocation depends on circumstances at the time and what is in the Studio's and our system's best interests. Factors include, for example, the new site's market area, whether you are complying with your Franchise Studio Agreement, and how long it will take you to open at the new site.

You and your Studio co-owners, if any, will receive an exclusive "Designated Area" around the Studio. We expect that the Designated Area will encompass at least 25,000 households (with a household income of at least \$150,000). As long as you are in full compliance with the Franchise Studio Agreement, we and our affiliates will not establish or operate, or license anyone other than you the right to operate, a J.HILBURN Studio which is located within the Designated Area. We have no right to modify the Designated Area during the franchise term.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

Continuation of your territorial exclusivity within the Designated Area does not depend on your achieving a certain sales volume, market penetration, or other contingency. However, a condition for renewal of your franchise is that you must have had at least \$250,000 in Qualified Personal Sales Volume in the 12 months before you request renewal.

Apart from your Studio exclusivity in the Designated Area, we and our affiliates retain all rights and may engage in all activities, including:

(i) Advertising and promoting the sale of the products and services at any location, including within the Designated Area;

(ii) Offering and selling, and granting others the right to offer and sell, private label or other related products, including those offered and sold at J.HILBURN Studios, under the Marks or other marks at any location or through any channel of distribution (including initiatives such as J.Hilburn Personal Stylists hosting trunk shows at hotels, resorts, club stores, or collaborations in partner venues like an Allen Edmonds shop, or J.Hilburn, Inc. temporary shop-in-shop retail locations) anywhere inside or outside the Designated Area (we will give you prior notice, as available, of such initiatives and the option to participate, if appropriate);

(iii) Operating one or more websites on the Internet advertising the J.HILBURN business or selling products and services anywhere inside or outside the Designated Area;

(iv) Allowing personal stylists to sell products and services under their Personal Stylist Agreements within the Designated Area; and

(v) Developing, owning, acquiring, establishing, and/or operating, and granting others the right to develop, own, and operate, other methods and channels of distribution utilizing the Marks and the System, whether inside or outside of the Designated Area, including through direct sales by personal stylists.

We and our affiliates have no contractual or other obligation to compensate you if we and they engage in any of these activities.

You and any permitted personal stylists using the Studio may not sell products and services through any means of distribution other than from or through the Studio.

We and our affiliates do not operate or franchise, or have plans to operate or franchise, a business under a different trademark that sells or will sell goods or services similar to those the stylist franchisee will offer.

Item 13 **TRADEMARKS**

You may use certain Marks in operating your Studio. J. Hilburn, Inc. (our affiliate) has registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
J. HILBURN	4103092	02/21/2012
HILBURN	6114368	07/28/2020
A SUIT THAT FITS	5187800	04/18/2017

All Marks due for renewal have been renewed. J. Hilburn, Inc. intends to file when due all required affidavits and renewals for all trademark registrations for the Marks that remain important to the J. HILBURN® Studio brand.

J. Hilburn, Inc. licenses us to use the Marks and related Intellectual Property, and to authorize franchisees to use them in operating J. HILBURN® Studios, under a Trademarks, Copyrights, and Trade Secrets License Agreement effective February 25, 2026 (the “License Agreement”). The License Agreement’s initial term is 20 years; we have the right to renew the License Agreement for two 5-year successor terms. We have the right to terminate the License Agreement at any time on 60 days’ prior written notice. J. Hilburn, Inc. may terminate the License Agreement immediately if we breach the License Agreement and fail to cure the breach within 30 days after receiving written notice. When the License Agreement terminates or expires, we must stop using and sublicensing the Marks and related Intellectual Property. However, any J. HILBURN® stylist franchisee that has been authorized to use the Marks in its franchise may continue using the Marks until that franchisee’s Franchise Studio Agreement, and any permitted successor franchise studio agreement, expire or are terminated, but only if the stylist franchisee continues to comply with its obligations in the Franchise Studio Agreement and any permitted successor franchise studio agreement during their remaining terms. No other agreement limits our right to use or sublicense any Mark.

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state where we currently intend to offer franchises.

You must follow our rules and other Brand Standards when using the Marks. You may not use any Mark as part of your corporate or legal business name.

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or replace supplies for the Studio), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark.

You must notify us immediately of any actual or apparent infringement or challenge to your use of any Mark, any person’s claim of any rights in any Mark (or any identical or confusingly similar trademark), or unfair competition relating to any Mark. We and J. Hilburn, Inc. may take the action we or it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding or enforcement action arising from any infringement, challenge, or claim or otherwise concerning any Mark. The Franchise Studio Agreement does not require us to take any particular affirmative action. You must sign any documents and take any other reasonable actions that we and our, and J. Hilburn, Inc.’s, attorneys deem necessary or advisable to protect and maintain our and its interests in any litigation or USPTO or other proceeding or enforcement action or otherwise to protect and maintain our and J. Hilburn, Inc.’s interests in the Marks.

We will reimburse (i.e., indemnify) your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark (whether the

proceeding is resolved favorably or unfavorably to you), provided your use has been consistent with the Franchise Studio Agreement, the Operations Manual, and Brand Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from or relating to your use of any Mark. However, the Franchise Studio Agreement does not require us to participate in your defense.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We and our affiliates claim copyrights in the Operations Manual (containing our trade secrets and Confidential Information), Studio blueprints and other design features, signage, marketing materials, our System Website, and similar items used in operating J. HILBURN® Studios. We and our affiliates have not registered these copyrights with the United States Copyright Office but currently need not do so to protect them. You may use copyrighted items only as we specify while operating your Studio (and must stop using them at our direction). You have no other rights under the Franchise Studio Agreement to a copyrighted item if we require you to modify or discontinue using the subject matter covered by the copyright. Our right to use most of the copyrighted materials described above and much of the Confidential Information described below arises from the same License Agreement described in Item 13.

There currently are no effective adverse material determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. Except for our agreement with J. Hilburn, Inc., no agreement limits our right to use or allow others to use copyrighted materials.

We do not actually know of any infringing uses of our or J. Hilburn, Inc.'s copyrights that could materially affect your using them in any state. We and J. Hilburn, Inc. need not protect or defend copyrights, although we intend to do so if in the system's best interests. We and J. Hilburn, Inc. have the right to control any action we choose to bring, even if you voluntarily bring the matter to our attention. You must follow any instructions we give you. However, we need not take affirmative action when notified of infringement. We and J. Hilburn, Inc. need not participate in your defense of and/or indemnify you for damages or expenses incurred in a copyright proceeding.

Our Operations Manual and other materials contain our and our affiliates' Confidential Information (some of which are trade secrets under applicable law). Confidential Information includes our Brand Guidelines, System Standards, and other intellectual property. You may use Confidential Information only as we allow and must take reasonable steps to prevent its improper disclosure to others and use non-disclosure agreements with those having access to Confidential Information.

You must comply with all laws governing the use, protection, and disclosure of consumer data. We are the sole owners of the Studio's customer lists. You may not distribute the customer lists to any third party without our prior written consent, although you may use them in operating the Studio. When the franchise term ends, you and your affiliates may not use the customer lists in any form or manner.

Item 15
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS**

You or one of your owners (if you are a legal entity) is responsible for personally managing and supervising the Studio. You or your owner must successfully complete initial training before you begin operating the Studio. As noted in Item 1, up to 3 other stylist franchisees also may operate their franchised businesses under separate Franchise Studio Agreements from the same Studio premises as you. You will decide whether you want to be the only stylist franchisee operating from a specific Studio premises—and to be responsible for all related costs—or prefer to share possession of the Studio’s premises and related costs with other stylist franchisees.

You may have “Personal Stylists” report to you if no other stylist franchisee operates from the same Studio premises as you. A “Personal Stylist” is an independent contractor who has entered into a Personal Stylist Agreement with our affiliate J. Hilburn, Inc., which governs the stylist’s brand-specific activities as a “direct seller.” However, you may not have any Personal Stylists report to you if there are one or more other stylist franchisees operating from the Studio premises.

You may terminate a Personal Stylist’s right to operate at or through the Studio by giving him or her 3 months’ prior written notice or a payment equivalent to the Personal Stylist’s immediate past 3 months’ commissions from J.Hilburn, Inc. (and provide written notice to J.Hilburn, Inc.). A Personal Stylist who decides to stop operating at or through the Studio must give you 3 months’ prior written notice of that decision or a payment equivalent to the immediate past 3 months’ compensation the Personal Stylist received from J.Hilburn, Inc. under its Compensation Plans (and provide written notice to J.Hilburn, Inc.). The Personal Stylist may, with J.Hilburn, Inc.’s written approval, set up his or her own Studio, join another J.HILBURN Studio, or remain an independent Personal Stylist. Only you and Personal Stylists may sell products and services at or through the Studio.

Your owner must personally guarantee your obligations under the Franchise Studio Agreement and agree personally to comply with every contractual provision—whether containing monetary or non-monetary obligations—including the covenant not to compete. A spouse of your owner need not sign the Guaranty and Assumption of Obligations unless he or she also is an owner.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Studio must offer for sale all products and services we periodically specify. The Studio may not offer, sell, or otherwise distribute at its premises or at another location any products or services we have not authorized. There are no limits on our right to modify the products and services that your Studio must or may offer and sell. We have the right to change such products and services from time to time.

Your right to operate the Studio is limited to products and services you provide from the Studio’s physical location. You and your permitted Personal Stylists using the Studio (if any)

may not sell products and services through any other means of distribution. There are no other limits on the customers to whom your Studio may sell products and services.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	3(a) of Franchise Studio Agreement	For new stylist franchisees opening new Studios, starts on date Franchise Studio Agreement is signed and expires 3 to 5 years later depending on your lease term. For stylist franchisees converting an existing non-branded location to a new Studio, starts on date Franchise Studio Agreement is signed and expires at end of term of existing lease.
b. Renewal or extension of the term	3(b) of Franchise Studio Agreement	If you are in good standing, you may renew the franchise for additional consecutive periods of 1 to 5 years each depending on term of renewal lease.
c. Requirements for franchisee to renew or extend	3(b) of Franchise Studio Agreement	You (i) formally notify us of your desire to renew at least 6 months but not more than 12 months before the end of the then-current term, (ii) are in compliance with all Franchise Studio Agreement terms, (iii) have the right to occupy the Studio's premises during the renewal term, (iv) have completed all maintenance, refurbishing, and remodeling of the Studio's premises at your own expense, (v) had at least \$250,000 in Qualified Personal Sales Volume during the 12 months before the renewal request, (vi) sign our then-current form of franchise studio agreement and releases (if applicable state law allows), (vii) pay renewal franchise fee, and (viii) comply with our then-current qualification and training requirements. Our then-current form of franchise studio agreement for the renewal term may have different terms from the expiring Franchise Studio Agreement, including monetary terms.
d. Termination by franchisee	Not Applicable	The Franchise Studio Agreement does not contain this provision.

Provision	Section in franchise or other agreement	Summary
e. Termination by franchisor without cause	19 of Franchise Studio Agreement	We do not have the right to terminate your Franchise Studio Agreement without cause.
f. Termination by franchisor with cause	19 of Franchise Studio Agreement	We have the right to terminate your Franchise Studio Agreement only if you or your owners commit one of several violations.
g. “Cause” defined — curable defaults	19(c) of Franchise Studio Agreement	You have 5 days to cure default relating to threat to public health and safety from the Studio’s construction or operation. You have 30 days (i) to cure failures to develop and finish out the Studio, to begin operating the Studio by the opening deadline, to maintain a fully-trained Operator, and to pay amounts due to us, (ii) to vacate attachment or seizure of or levy upon Studio or its assets, and (iii) to cure other defaults not listed in (h) below.
h. “Cause” defined — non-curable defaults	19 (b) and (c) of Franchise Studio Agreement	Non-curable defaults include: (i) insolvency, general assignment for benefit of creditors, bankruptcy filing, and appointment of a receiver; (ii) material misrepresentation or omission; (iii) failure to acquire Studio premises by deadline; (iv) failure to operate Studio for the required days and times; (v) unapproved transfer; (vi) court conviction or guilty plea to felony or other unlawful act; (vii) any conduct that we believe will materially and adversely affect our system or the Marks; (viii) unauthorized use of Marks; (ix) unauthorized use or disclosure of our confidential information; (x) violation of non-compete and certain representations; (xi) termination of another Franchise Studio Agreement; (xii) lease termination; and (xiii) failure to pay taxes when due.
i. Franchisee’s obligations on termination/nonrenewal	20 of Franchise Studio Agreement	Obligations include paying outstanding amounts; complete de-identification; stop using confidential information, intellectual property, and proprietary software; assigning to us or cancelling email addresses, domain names, search engines, websites, or social media accounts associated with brand; assigning lease to us upon request; and paying damages for your violations (also see (o) and (r) below).
j. Assignment of contract by franchisor	18(a) of Franchise Studio Agreement	No restriction on our right to assign; we have the right to assign without your approval.

Provision	Section in franchise or other agreement	Summary
k. “Transfer” by franchisee — defined	18(b) of Franchise Studio Agreement	Includes transfer of (i) Franchise Studio Agreement, (ii) Studio’s premises, (iii) Studio’s assets, or (iv) ownership interest in you. Also includes pledge of Franchise Studio Agreement or ownership interest.
l. Franchisor approval of transfer by franchisee	18(b) of Franchise Studio Agreement	We must approve all transfers; no transfer without our prior written consent.
m. Conditions for franchisor approval of transfer	18(c) of Franchise Studio Agreement	We will consider approval of transfer if: (i) you give us 3 months’ prior written notice; (ii) you are in full compliance with the Franchise Studio Agreement and pay us and our affiliates all amounts due; (iii) you remain liable for all pre-transfer obligations; (iv) transferee and its owners meet our then-applicable standards for stylist franchisees and are not in a competitive business; (v) you reimburse our transfer-related costs; (vi) transferee signs our then-current form of franchise studio agreement and other documents for unexpired portion of your original franchise term (then-current form may have materially different terms, including different fees); (vii) lease assigned; and (viii) you (and transferring owners) sign general release (if applicable state law allows) (also see (r) below).
n. Franchisor’s right of first refusal to acquire franchisee’s business	18(d) of Franchise Studio Agreement	We have the right to match any offer for your Studio or ownership interest in you.
o. Franchisor’s option to purchase franchisee’s business	20(k) of Franchise Studio Agreement	We have the right to buy Studio’s assets at your original cost or fair market value, whichever is less, after Franchise Studio Agreement is terminated or expires (without renewal).
p. Death or disability of franchisee	18(e) of Franchise Studio Agreement	We have the right to terminate Franchise Studio Agreement. Representative of deceased franchisee or owner may, within 30 days after death or disability, request right to continue operating Studio (which we will consider without obligation).
q. Non-competition covenants during the term of the franchise	15(b) of Franchise Studio Agreement	No owning interest in, maintaining, advising, engaging in, being employed by, or loaning money to a business which primarily sells custom men’s apparel within your former Designated Area or within a 5-mile radius of any J.HILBURN Studio then operating or under construction in the United States (subject to applicable state law).
r. Non-competition covenants after the franchise is terminated or expires	15(b) of Franchise Studio Agreement	Same restrictions as in (q) for one year following expiration, termination, or transfer (subject to applicable state law).

Provision	Section in franchise or other agreement	Summary
s. Modification of the agreement	22(m) of Franchise Studio Agreement	No modifications generally, but we have the right to change System Standards other Brand Guidelines, Operations Manual, and System Standards.
t. Integration/merger clause	22(l) of Franchise Studio Agreement	Only terms of Franchise Studio Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Franchise Studio Agreement or this franchise disclosure document may not be enforceable. Nothing in the Franchise Studio Agreement or in any other related written agreement is intended to disclaim representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	21(a) and (b) of Franchise Studio Agreement	We and you must mediate and arbitrate all disputes in Dallas, Texas.
v. Choice of forum	21(k) of Franchise Studio Agreement	Actions based on infringement of Marks will be litigated in federal district court in Dallas Country, Texas (subject to applicable state law).
w. Choice of law	21(c) of Franchise Studio Agreement	Federal law and Texas law govern (subject to state law).

Item 18 **PUBLIC FIGURES**

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

Item 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Simone

Pizzuti, Senior Manager, Studio Operations, 883 Trinity Drive, Lewisville, Texas 75056, (866) 789-5381, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

All figures in the tables below are as of December 31 of each year. The “Company-Owned” outlet is owned and operated by our affiliate.

Table No. 1

**Systemwide Outlet Summary
For years 2023 to 2025**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	1	1	0
	2024	1	1	0
	2025	1	1	0

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2023	0
	2024	0
	2025	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

Table No. 3

**Status of Franchised Outlets
For years 2023 to 2025**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
All States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

[Table 4 begins on next page]

Table No. 4

**Status of Company-Owned Outlets
For years 2023 to 2025**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Texas	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table No. 5

Projected Openings as of December 31, 2025

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Arkansas	0	1	0
California	0	2	0
Connecticut	0	1	0
Illinois	0	1	0
Minnesota	0	2	0
New Hampshire	0	2	0
Ohio	0	1	0
Pennsylvania	0	2	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Texas	0	3	0
Washington	0	1	0
Total	0	16	0

We began offering franchises with the issuance of this disclosure document. Therefore, we currently have no franchisees, and no franchisees (1) had J.HILBURN Studios terminated, canceled, or not renewed—or otherwise voluntarily or involuntarily ceased doing business under our Franchise Studio Agreement—during our last fiscal year, or (2) have not communicated with us within 10 weeks of this disclosure document’s issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the J.HILBURN Studio franchise system.

Item 21 **FINANCIAL STATEMENTS**

Exhibit D contains our audited financial statements dated March 31, 2026. We were formed in February 2026 and had no operations before the date of our balance sheet. Because we have not been in existence for at least 3 years, we cannot yet include in this disclosure document 3 full years of audited financial statements.

Item 22 **CONTRACTS**

The following contracts/documents are exhibits:

1. Franchise Studio Agreement (Exhibit A) (including following exhibits)
 - A. Ownership Interests and Principals
 - B. Studio Location and Designated Area
 - C. Release
 - D. Compensation Plans
 - E. Lease Terms
 - F. Time Frames
 - G. Guaranty
 - H. Insurance Requirements
 - I. Consent to Covenants and Option

- J. Electronic Funds Transfer Authorization
- K. Existing Studio Owner Conversion and Promotion Addendum
- 2. State-Specific Riders to Franchise Studio Agreement (Exhibit B)
- 3. Franchisee Representations (Exhibit C)
- 4. New Studio Owner Promotion Addendum (Exhibit H)

Item 23
RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

EXHIBIT A

FRANCHISE STUDIO AGREEMENT

FRANCHISE STUDIO AGREEMENT

BETWEEN

J.HILBURN FRANCHISE, INC.

AND

(Name of Franchisee Entity)

SUMMARY PAGE

This page summarizes for your reference key provisions of the attached Franchise Agreement. The Franchise Agreement's provisions will control in the event of any conflict.

Effective Date:	[_____]
Initial Term	3 to 5 years
Designated Area:	[_____]
Initial Franchise Fee:	\$500.00
Renewal Fee:	\$500.00
Franchisee:	[_____] , a [_____]
Operating Principal:	[_____]
Operator:	[_____]
Opening Deadline:	[_____]

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Exhibits:

- A. Ownership Interests and Principals
- B. Studio Location and Designated Area
- C. Release
- D. Compensation Plans
- E. Lease Terms
- F. Time Frames
- G. Guaranty
- H. Insurance Requirements
- I. Consent to Covenants and Option
- J. Electronic Funds Transfer Authorization
- K. Conversion Addendum

State Addenda to Franchise Agreement, as applicable

FRANCHISE STUDIO AGREEMENT

This Franchise Agreement (“**Agreement**”) is executed on this ____ day of _____, 20____ (“**Effective Date**”) by and between J.Hilburn Franchise, Inc., a Delaware corporation, with its principal place of business at 883 Trinity Drive, Lewisville, Texas 75056 (“**Franchisor** or **J.Hilburn**”), and [____], a _____ (insert state and type of entity) with its principal place of business at _____ (“**Studio Owner**”). “**Party**” or “**Parties**” means either J.Hilburn or Studio Owner, individually or collectively, as applicable.

RECITALS

A. J.Hilburn offers and owns a distinctive system (the “**System**”) for the marketing and sale of luxury custom and ready-to-wear men’s apparel operated by franchisee studio owners, through the establishment and operation of studios (the “**J.Hilburn Studios**”).

B. The System includes, without limitation, J.Hilburn’s Products and Services; trade secrets and Confidential Information; distinctive exterior and interior design, layout, décor, color scheme, furnishings and signage; specially designed equipment and fixtures; unique and uniform standards, specifications and policies for operations and quality control, management and training; and advertising and promotional programs.

C. J.Hilburn desires to grant to Studio Owner the right to operate a J.Hilburn Studio using the System and the Marks pursuant to the terms of this Agreement.

AGREEMENT

NOW THEREFORE, J.Hilburn and Studio Owner, in consideration of the agreements in this Agreement, agree as follows:

1. Definitions. Any term not expressly defined in this Agreement is defined in this Section 1.

“**Affiliate(s)**” means as to any person or Entity, any other person or Entity that, directly or indirectly, Controls, or is under the Control of such person or Entity.

“**Applicable Law**” means any federal, state, and local laws, ordinances and codes, and all related rules, regulations, policies and guides applicable to this Agreement, including the development, construction and/or operation of the J.Hilburn Studio pursuant to the terms hereof, including, without limitation, all laws and regulations related to health and safety, labor, consumer privacy and data security in the United States, and those governing public accommodations for persons with disabilities.

“**Brand Guidelines**” means J.Hilburn’s and its Affiliates confidential written or electronic instructions, guidelines and manuals and the proprietary materials, including, but not limited to,

Branding and Process Guide, the Brand Rule Book, written standards, procedures, rules, regulations and policies and other System Standards for the branding of a J.Hilburn Studio.

“Business Day” means any calendar day other than Saturdays, Sundays and national holidays in the United States.

“Client” means a customer of Products and Services.

“Client Data” includes any personally identifiable information, such as a person’s or Entity’s name, address, phone number, fax number, email address, passport number, financial profile, credit card information or any other information by which one can personally identify one or more persons or Entities; financial data and statements; product ordering and sales data; and any other information regarding J.Hilburn’s or its Affiliates’ business that would reasonably be considered the proprietary or Confidential Information of J.Hilburn or its Affiliates, including J.Hilburn, Inc.

“Compensation Plans” means the compensation plans by which J.Hilburn and its Affiliates compensates Studio Owner for facilitating sales of Products and Services out of or through the Studio, attached as Exhibit D and incorporated in this Agreement by reference.

“Confidential Information” means all proprietary and confidential information relating to the operations of J.Hilburn, its Affiliates and J.Hilburn Studios, including, without limitation, all information, knowledge, know-how, trade secrets and procedures used in or related to the System, either in writing, orally or in electronic format, which J.Hilburn or its Affiliates provide to Studio Owner, or which Studio Owner or its Affiliates or Studio Owner’s respective independent contractors or employees have access to, in connection with this Agreement or the development and operation of Studio Owner’s Studio, including, without limitation, any products and services; product sourcing, manufacturing, control, supply and distribution standards and procedures; pricing and pricing data; standards for site selection, general contractors, architectural and construction plans and trade dress (i.e., the unique, distinctive, and non-functional overall appearance of Studio Owner’s Studio including the System Standards); technology; point of sale equipment and computer software; advertising, marketing and promotional programs including gift card, loyalty and Client reward programs; Client and Stylist lists and information; the Brand Guidelines and the Studio Operations Manual; financial data; and Client Data, however learned or received, all of which may be changed or improved by J.Hilburn from time to time. Confidential Information includes, but is not limited to, information (i) designated as confidential, (ii) known by Studio Owner to be considered confidential by J.Hilburn and its Affiliates, or (iii) by its nature reasonably to be considered confidential.

“Control” or **“Controlling Interest”** means the power, directly or indirectly, to direct or control the management and policies of an Entity, whether by contract or otherwise.

“Designated Area” means the geographic area referred to in Section 2(b) and attached as Exhibit B and incorporated to this Agreement by reference.

“Entity” means a corporation, general or limited partnership, limited liability company, trust or other legal entity.

“Intellectual Property” means all intellectual property or other proprietary rights worldwide, whether existing under contract, statutes, convention, civil law, common law or any law whatsoever, now or hereafter in force or recognized, including (i) patents and rights to inventions; (ii) trademarks, service marks, logos, trade dress and design rights, including the Marks; (iii) works of authorship, including, without limitation, copyrights, source codes, moral rights and neighboring rights; (iv) trade secrets; (v) ideas and concepts; (vi) publicity and privacy rights; (vii) any analogous rights and any other intellectual property and proprietary rights; (viii) any application or right to apply for any of the rights referred to in subsections (i) through (vii) above; and (ix) any and all renewals, continuations, re-issuances, re-examinations and extensions of any of the foregoing (as applicable).

“J.Hilburn, Inc.” means an Affiliate of J.Hilburn, which sells products and services outside of the franchised J.Hilburn Studio model through independent Personal Stylists and provides certain services to J.Hilburn.

“Losses and Expenses” mean all losses, compensatory, exemplary or punitive damages, mediation or arbitration costs, fines, penalties, charges, costs, expenses, lost profits, assessments and fees (including reasonable attorneys’, experts’, accountants’ and consultants’ fees), interest, court costs, settlement or judgment amounts, compensation for damages to reputation and goodwill, costs of or resulting from delays or financing costs and consequential damages, whether or not foreseeable, and whether or not based in contract, tort, warranty claims or otherwise, suffered or incurred in connection with this Agreement.

“Marks” mean certain trademarks, service marks, trade names, trade dress, logos and symbols, including, but not limited to, the mark “J.Hilburn” owned by J.Hilburn and/or its Affiliates and used in the operation of J.Hilburn Studios and the System.

“Ownership Interest” means any direct or indirect stock, unit, membership, partnership or other legal, equitable or beneficial ownership interest or other voting rights, in an Entity.

“Personal Stylist” means a J.Hilburn independent contractor who has entered into a Stylist Agreement with J.Hilburn, Inc.

“Principals” means all holders, direct or indirect, of an Ownership Interest in Studio Owner and in any Entity that, directly or indirectly, controls Studio Owner, as listed on attached Exhibit A, and incorporated in this Agreement by reference.

“Products and Services” means the products and services offered by and sold at or through a J.Hilburn Studio, including, without limitation, luxury, custom and ready-to-wear men’s apparel specified from time to time by J.Hilburn in the Brand Guidelines and the Studio Operations Manual or otherwise in writing.

“Qualified Personal Sales Volume” means the total selling price of all Products and Services sold at or through a J.Hilburn Studio by Studio Owner personally (regardless of whether such Products and Services are performed at a J.Hilburn Studio), for cash, cash equivalents or credit (and, if for credit, whether or not payment is received), less applicable sales or other excise or similar taxes and valid refunds and credits deducted from revenues initially recorded as Qualified Personal Sales Volume. Merchant fees for credit card services are not deducted from Qualified Personal Sales Volume. Proceeds from the sale of gift cards, gift certificates or such instruments are not included in Qualified Personal Sales Volume when they are sold; rather, the retail prices of Products and Services purchased with them are included in Qualified Personal Sales Volume when such instrument is redeemed.

“Related Agreement” means any agreement other than this Agreement between Studio Owner and/or its Principals and J.Hilburn and/or its Affiliates executed in connection with this Agreement.

“Representatives” means J.Hilburn’s and its Affiliates’ owners, managers, directors, officers, agents, independent contractors and employees, in their corporate and individual capacities.

“Studio” means the J.Hilburn Studio operated by Studio Owner.

“Studio Operations Manual” means J.Hilburn’s and its Affiliates’ confidential written or electronic instructions, guidelines and manuals and the proprietary technology and materials including, but not limited to, written standards, procedures, rules, regulations and policies and other System Standards for the operation of a J.Hilburn Studio.

“Stylist Agreement” means the J.Hilburn Personal Stylist Agreement and Policies and Procedures between J.Hilburn and a Personal Stylist.

“System Standards” mean the standards, requirements, specifications, techniques, policies and procedures for the development and operation of J.Hilburn Studios, as specified from time to time by J.Hilburn and its Affiliates in the Brand Guidelines and the Studio Operations Manual or otherwise in writing.

“Transfer” means any voluntary or involuntary, direct or indirect assignment, transfer, sale, conveyance, disposition, gift, encumbrance, pledge, or mortgage by Studio Owner or any of its Principals of all or any part of its rights, interests or obligations in this Agreement, Studio Owner, the Studio (including the Premises as defined in Section 2(a)), its assets or any Ownership Interest, directly or indirectly, in Studio Owner to any person or Entity, or any other transaction that would, alone or together with other Transfers, have the effect of transferring Control of, this Agreement or substantially all of the assets of the business covered by this Agreement. Any Transfer of an Ownership Interest in Studio Owner or the ownership, possession or Control of the Studio may be made only in conjunction with a Transfer of this Agreement.

2. Grant of Franchise.

(a) Grant. Subject to the terms of this Agreement, J.Hilburn grants to Studio Owner the right, and Studio Owner agrees to establish and operate a J.Hilburn Studio (the “**Studio**”) using the System, including the Marks and other Intellectual Property at the location set forth on Exhibit B (the “**Premises**”). J.Hilburn and Studio Owner agree that up to three other franchised studio owners also may operate their franchised business from the Studio located at the Premises in accordance with Section 8(b) of this Agreement. During the Term (as defined in Section 3 of this Agreement), Studio Owner and any permitted Personal Stylists using the Studio may not sell Products and Services through any other means of distribution other than from or through the Studio, unless expressly authorized by J.Hilburn in writing.

(b) Designated Area. Except as set forth in this Agreement, so long as Studio Owner is in full compliance with this Agreement or any Related Agreement, J.Hilburn will not establish or operate, or license anyone other than Studio Owner the right to operate, a J.Hilburn Studio which is located within the Designated Area during the Term. The scope of the Designated Area will depend, among other factors, on geographic location and population density, with coverage being a minimum of 25,000 households with a median yearly household income of \$150,000 or more, as determined by J.Hilburn.

(c) Reserved Rights. Except as set forth in Sections 2(b) above and this Section 2(c), the license granted to Studio Owner under this Agreement is nonexclusive, and Studio Owner shall have no territorial or protective rights. J.Hilburn and its Affiliates retain all rights not expressly granted in this Agreement. J.Hilburn and its Affiliates may, among other things, operate other types of facilities, including facilities that are identified by some or all of the Marks. Without limiting any rights described in this Section (c), J.Hilburn may (or may authorize an Affiliate or other third party to) conduct, among other things, the following activities:

(i) Advertise and promote sales of the Products and Services at any location, including within the Designated Area;

(ii) Establish, acquire, promote and/or operate and grant others the right to develop, own, establish, acquire, promote and/or operate a J.Hilburn Studio anywhere outside of the Designated Area;

(iii) Offer and sell, and grant others the right to offer and sell, private label or other related products, including those offered and sold at J.Hilburn Studios under the Marks or other marks at any location or through any channel of distribution, including, but not limited to, initiatives such as J.Hilburn Personal Stylists hosting trunk shows at hotels, resorts, club stores or collaborations in partner venues like an Allen Edmonds shop, or J.Hilburn, Inc. temporary shop-in-shop retail locations, anywhere inside or outside of the Designated Area. J.Hilburn will provide Studio Owner prior notice, as available, of such initiatives and offer the option to Studio Owner to participate, if appropriate;

(iv) Operate one or more websites on the Internet that advertise the J.Hilburn business or sell Products and Services anywhere inside or outside the Designated Area;

(v) Allow Personal Stylists to sell Products and Services within the Designated Area pursuant to their Personal Stylists Agreements;

(vi) Develop, own, acquire, establish and/or operate, and grant others the right to develop, own and operate, other methods and channels of distribution utilizing the Marks and the System, whether inside or outside of the Designated Area, including, through direct sales by Personal Stylists; and

(vii) Purchase, merge, or acquire any business, or be acquired by or sell its assets or Ownership Interests to, any business which sells products and/or services, whether or not such products are the same or similar to the Products and Services and whether or not it is competitive with Studio Owner, its Studio or the System, inside or outside the Designated Area.

(d) Waiver. J.Hilburn may waive, defer or permit, in its sole discretion, variations from the System Standards or the applicable franchise agreement to any franchisee or prospective franchisee based on factors that J.Hilburn reasonably determines are important to the successful operation of a J.Hilburn Studio, including density of population, business potential, trade area, existing business practices or other circumstances. Studio Owner has no recourse against J.Hilburn because of any variation from the System Standards and practices agreed to, required or refused by J.Hilburn with any other J.Hilburn Studio or J.Hilburn's refusal to agree to a like or similar variation under this Agreement.

(e) Modification to the System and Brand Guidelines and the Studio Operations Manual. Studio Owner agrees that the System, the Brand Guidelines and the Studio Operations Manual and the Products and Services offered by a J.Hilburn Studio may be changed including by adding, deleting and modifying operating procedures and Products and Services) from time to time by J.Hilburn. Studio Owner agrees to comply, at its expense, with all such modifications, including, without limitation, replacement of equipment, remodeling, redecoration and modifications to existing improvements. J.Hilburn shall notify Studio Owner in writing of any such System changes and Studio Owner shall implement and complete any System changes within the timeframe J.Hilburn may reasonably specify after receiving such notice.

3. Term of Franchise.

(a) Initial Term. The initial term (the "**Term**") of this Agreement will begin upon the Effective Date and will expire three to five years after the Effective Date ("**Initial Term**") (as defined in Section 5(b)) set forth on Exhibit B, as determined by J.Hilburn in its reasonable discretion, unless sooner terminated as provided in Section 19.

(b) Renewal Term. Studio Owner may, at Studio Owner's option, continue to operate the Studio under this Agreement for additional consecutive periods of one to five years each ("**Renewal Term**") depending on the term of the renewal Lease (as defined in Section 5(b)), upon written notice to J.Hilburn by Studio Owner of not less than six months nor more than twelve months prior to the end of the then current Term, provided each of the following conditions have been satisfied:

(i) Studio Owner is in compliance with all of the terms of this Agreement and any Related Agreement;

(ii) Studio Owner has provided satisfactory evidence to J.Hilburn that Studio Owner has the right to occupy the Premises for the Renewal Term;

(iii) Studio Owner must have had at least \$250,000 in Qualified Personal Sales Volume in the previous twelve months before the request for renewal;

(iv) Studio Owner has completed, to J.Hilburn's reasonable satisfaction, all maintenance, refurbishing and remodeling of the Premises at Studio Owner's expense, to meet J.Hilburn's then-current System Standards for a J.Hilburn Studio as contained in the Brand Guidelines and the Studio Operations Manual or as otherwise provided in writing by J.Hilburn;

(v) Studio Owner has executed J.Hilburn's then-current form of franchise agreement (which agreement may have different terms from this Agreement including, without limitation, different monetary terms) and any Related Agreements as J.Hilburn may then require;

(vi) Studio Owner must comply with J.Hilburn's then-current qualification and training requirements;

(vii) Studio Owner and its Principals have executed a general release in a form satisfactory to J.Hilburn, of any and all claims against J.Hilburn and its Affiliates, and their successors and assigns, and their respective Representatives, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations, substantially in the form of the Release, attached as Exhibit C and incorporated in this Agreement by reference; and

(viii) Studio Owner pays a renewal fee equal to \$500.00, plus all amounts necessary to reimburse J.Hilburn for its reasonable out-of-pocket costs and expenses associated with the renewal, including, without limitation, legal and accounting fees.

4. Fees and Commissions.

(a) Franchise Fee. Prior to or upon the execution of this Agreement, Studio Owner will pay to J.Hilburn a franchise fee of \$500.00 (the "**Franchise Fee**") in readily

available funds. The Franchise Fee will be fully earned by J.Hilburn and is non-refundable upon execution of this Agreement.

(b) Initial Merchandise Fee.

(i) Prior to or upon execution of this Agreement, Studio Owner will pay J.Hilburn the initial merchandise fee of \$10,100 (the “**Initial Merchandise Fee**”) for payment of the first-year comprehensive set of brand approved sales tools, including category “bars,” three looks from J.Hilburn’s Essentials fabrics (one formal, one suit and one casual), and try-on sample sets. Only one Initial Merchandise Fee will be charged per each J.Hilburn Studio.

(ii) Notwithstanding the foregoing, in the event another franchisee studio owner begins to operate its J.Hilburn franchised business at or through the Studio pursuant to Section 8(b) of this Agreement after Studio Owner has paid the Initial Merchandise Fee, another Initial Merchandise Fee will not be charged to such franchisee studio owner. The decision on how to split or reimburse Studio Owner for the Initial Merchandise Fee previously paid, if at all, will be agreed to by Studio Owner and the other franchisee studio owner operating at or out of the Studio.

(c) Annual Inspection Fee. Studio Owner must pay an annual inspection fee of \$500.00 (the “**Annual Inspection Fee**”) each year, payable on the anniversary date of each year of the Term and any Renewal Term.

(d) Annual Merchandise Fee.

(i) On the anniversary date of the Term and any Renewal Term of this Agreement, Studio Owner will pay J.Hilburn an annual merchandise fee (the “**Annual Merchandise Fee**”) for the then current package of eight annual seasonal looks. Only one Annual Merchandise Fee will be charged per each J.Hilburn Studio each year. The current Annual Merchandise Fee is \$4,600, but J.Hilburn may increase the Annual Merchandise Fee at any time as set forth in the Brand Guidelines.

(ii) Notwithstanding the foregoing, in the event another franchisee studio owner begins to operate its J.Hilburn franchised business at or through the Studio after Studio Owner has paid the Annual Merchandise Fee, another Annual Merchandise Fee will not be charged to such franchisee studio owner. The decision on how to split or reimburse, if at all, Studio Owner for the Annual Merchandise Fee previously paid will be agreed to by Studio Owner and the other franchisee studio owner operating at or out of the Studio.

(e) Other Fees and Costs. Studio Owner must pay such other fees or costs described in this Agreement or the Brand Guidelines and the Studio Operations Manual.

(f) Compensation. J.Hilburn and its Affiliates will pay Franchisee the commissions and bonuses as described in the Compensation Plans. J.Hilburn reserves the right, in its sole discretion, to modify, supplement, or replace such Compensation Plans from time to time, and to offer, withdraw, or change promotional programs, incentives, or bonuses, whether on a limited-time or ongoing basis, which may be subject to additional terms and conditions as determined by J.Hilburn. Additional transition incentives and limited-time bonus programs, if any, are described in Exhibit D (Compensation Plans)

(g) Electronic Transfer of Funds

. Upon execution of this Agreement, Studio Owner must sign the electronic transfer of funds authorization, attached as Exhibit J and incorporated in this Agreement by reference, and all other documents necessary to permit J.Hilburn to withdraw by electronic funds transfer from Studio Owner's designated bank account any amounts owed to J.Hilburn or its Affiliates on the date or dates that such amounts are due. Studio Owner is responsible for any penalties, fines or other similar expenses associated with the transfer of funds described under this Agreement.

(h) Remittances. Any periodic fees required by this Agreement will be payable on the due date required by J.Hilburn provided that such day is a Business Day. If the due date is not a Business Day, then payment will be due on the next Business Day.

(i) Interest and Fees on Late Payments. Any payment not received by J.Hilburn on or before the date due will be deemed overdue. Time is of the essence for all payments to be made by Studio Owner to J.Hilburn. All amounts that Studio Owner owes to J.Hilburn or any of its Affiliates will bear an interest rate of 18% per annum or the maximum interest contract rate permitted by Applicable Law, whichever is less, from the date of accrual. Studio Owner also must pay to J.Hilburn a late fee in the amount of \$150 for each payment not received by J.Hilburn by the due date. This late fee is not interest or a penalty as the late fee will compensate J.Hilburn for the administrative costs associated with collecting late payments.

(j) Application of Payments. Studio Owner will not be entitled to withhold payments due J.Hilburn under this Agreement for alleged nonperformance by J.Hilburn under this Agreement. J.Hilburn may, at its sole option, apply payments due to Studio Owner to any of Studio Owner's past-due indebtedness to J.Hilburn or its Affiliates. J.Hilburn has the right to set off any amounts Studio Owner owes to J.Hilburn or its Affiliates against any amounts J.Hilburn may owe to Studio Owner.

(k) Currency. All amounts payable by Studio Owner to J.Hilburn under this Agreement will be in United States dollars.

(l) Taxes. All amounts payable pursuant to this Agreement are exclusive of any applicable taxes. Studio Owner is obligated to pay all federal, state and local taxes, including without limitation, sales, use and other taxes, fees and similar charges assessed against Studio Owner. Studio Owner is responsible for and must indemnify and hold J.Hilburn, its Affiliates and the their Representatives harmless against any penalties,

interest and expenses incurred by or assessed against J.Hilburn as a result of Studio Owner's failure to withhold such taxes or to timely remit them to the appropriate taxing authority. Studio Owner agrees to fully and promptly cooperate with J.Hilburn to provide any information or records it requests in connection with any application by J.Hilburn to any taxing authority with respect to Studio Owner.

5. Site Selection.

(a) Site Approval. Studio Owner shall operate the Studio only at and through the Premises. Prior to execution of this Agreement, Studio Owner will have submitted (i) a franchise application containing the business and financial information required by J.Hilburn, including, without limitation, a business plan, (ii) the Studio Owner's prior experience as a Personal Stylist or prior apparel selling experience, all of which must be approved by J.Hilburn prior to execution of this Agreement, and (iii) a suggested location for the Premises. Studio Owner assumes all costs, liabilities and responsibility for locating, obtaining and developing the Premises for the Studio and for renovating and equipping the Studio at the Premises to meet J.Hilburn's standards.

(b) Approval of Lease. Upon J.Hilburn's approval for the location of the Premises, Studio Owner shall submit to J.Hilburn a lease (the "**Lease**") with such terms as set forth in the attached Exhibit E, and incorporated in this Agreement by reference, within the time frame specified in the attached Exhibit F, incorporated in this Agreement by reference. Studio Owner will execute and provide J.Hilburn with a fully executed copy of the Lease within the time frame specified in Exhibit F. If a fully-executed Lease is not provided to J.Hilburn within such time frame, it has the right to terminate this Agreement and will be reimbursed for its costs related to the execution of this Agreement and/or site inspection. Studio Owner agrees that J.Hilburn will have absolute discretion in approving any proposed site, and Studio Owner agrees to accept any of J.Hilburn's decisions as final. Studio Owner agrees that J.Hilburn's approval of the Premises does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the Premises for the Studio or of the financial success of operating the Studio at such location. J.Hilburn assumes no liability for (i) evaluation of a proposed site's soil for hazardous substances; (ii) inspection of any structure on the proposed site for asbestos or other toxic or hazardous materials; or (iii) compliance with the Americans with Disabilities Act ("**ADA**") and any other Applicable Laws.

(c) Relocation. Studio Owner may not relocate the Studio from the approved Premises without the prior written consent of J.Hilburn. If J.Hilburn consents to any relocation, Studio Owner shall de-identify the former Studio as required upon termination or expiration of this Agreement and reimburse J.Hilburn for any costs incurred in connection with approval of the relocation.

6. Construction or Renovation of the Studio.

(a) Construction/Renovation. Studio Owner will commence construction and/or renovation of the Studio in accordance with the System Standards as described in

the Studio Operations Manual and shall complete all construction and installation of all fixtures, equipment and signs within the time frames specified in Exhibit F.

(b) Insurance During Construction. Studio Owner shall obtain, prior to the commencement of any construction or renovation of the Studio, and shall maintain in full force and effect during such construction or renovation, at Studio Owner's expense, insurance policies protecting Studio Owner, J.Hilburn, its Affiliates and their Representatives against any demand or claim for personal or bodily injury, death, or property damage, or any loss, liability or expense whatsoever arising in connection with the construction or renovation of the Studio. Such policies shall comply with the requirements prescribed by J.Hilburn, including those provisions of Section 17 of this Agreement. Studio Owner shall provide J.Hilburn with copies of the certificates of such insurance.

(c) Inspection. J.Hilburn and its Representatives may, in their sole discretion, make on-site construction/renovation visits at all reasonable times, at J.Hilburn's expense, to verify compliance with its System Standards. Studio Owner shall fully cooperate with and provide J.Hilburn and its Representatives with full access to the Premises.

(d) Zoning, Permits, Clearances, and ADA Compliance. Studio Owner shall be responsible, at Studio Owner's expense, for obtaining all zoning classifications, permits and clearances, including certificates of occupancy, as may be required by Applicable Laws, including, without limitation, the Americans with Disabilities Act.

(e) Approval for Opening. Once construction/renovation is completed and a certificate of occupancy is obtained, and after all conditions meet J.Hilburn's specified standards, J.Hilburn will give its written approval for opening, and Studio Owner shall open the Studio to the public which must be within the time frame specified on Exhibit F.

7. Training

(a) Training. Prior to opening the Studio, Studio Owner and its Principals shall complete, to J.Hilburn's satisfaction, an initial training conducted by J.Hilburn, on-line and/or at the Studio or J.Hilburn's Home Office. As part of the training, J.Hilburn shall provide Studio Owner with a copy of the Brand Guidelines and the Studio Operations Manual, which must be returned to J.Hilburn upon termination of this Agreement.

(b) Location and Expenses. J.Hilburn will not charge Studio Owner a fee for the initial training of Studio Owner and its Principals. J.Hilburn reserves the right to charge Studio Owner a reasonable fee for any additional required or optional training. All training shall be provided at the location(s), as J.Hilburn designates, including at Studio Owner's Studio. Studio Owner shall be responsible for Studio Owner's and its Principals' expenses during such training, including travel, lodging and food.

(c) Completion of Training. J.Hilburn will determine whether Studio Owner and its Principals have satisfactorily completed the initial training. If the training program

is not satisfactorily completed by Studio Owner and its Principals, J.Hilburn may, at its sole option, delay the opening of the Studio until such training is satisfactorily completed. Any costs to J.Hilburn for this additional training will be paid by Studio Owner.

(d) Additional Training. J.Hilburn may periodically make other mandatory or optional training available to Studio Owner. J.Hilburn reserves the right to charge a fee for such additional training as set forth in the Brand Guidelines and the Studio Operations Manual (or other materials provided by J.Hilburn). Studio Owner shall be responsible for Studio Owner's and its Principals' expenses incurred during such training, including travel, lodging and meals. J.Hilburn reserves the right to be reimbursed for any related travel, meals, and lodging expenses if training is requested by and provided specifically for Studio Owner and its Principals.

(e) Meetings and Conferences. J.Hilburn and its Affiliates may hold periodic system-wide or personal meetings and conferences at locations designated by J.Hilburn to address matters of interest to the System. Studio Owner may be required to pay a reasonable fee for such events. Studio Owner will be responsible for all costs incurred by Studio Owner and its personnel for attending such events, including attendance fees, travel, lodging, and meals.

8. Operations.

(a) Management of the Studio. Studio Owner shall designate one or more of its Principals to at all times personally manage and supervise the operation of the Studio (individually and collectively, the "**Operator**"). If, during the Term of this Agreement, there is not one Operator who is able to serve in such capacity, it will be a breach of the Agreement.

(b) Other Studio Owners. J.Hilburn and Studio Owner agree that up to three other J.Hilburn franchised studio owners may operate their franchised business at or through the Studio located at the Premises (all who have no Personal Stylists reporting to them). Studio Owner may have Personal Stylists reporting to them if no other studio owners operate out of the Studio. Each studio owner will execute its, his or her own franchise agreement with J.Hilburn which may have different term lengths. The Studio Owner and any other studio owner(s) are responsible for setting the terms of the business arrangement, Studio operations and management, and other terms and liabilities, if any, between them.

(c) Personal Stylists. Studio Owner may have Personal Stylists who operate at or through the Studio (all of which are listed on Exhibit B) if there is only one studio owner of the Studio. Studio Owner can terminate Personal Stylist's right to operate at or through the Studio by giving (i) three months' prior written notice to the Personal Stylist and J.Hilburn or (ii) a payment equivalent to Personal Stylist's immediate past three months' commissions from J.Hilburn, Inc. and provide written notice to J.Hilburn of such payment. A Personal Stylist who decides to stop operating at or through the Studio, must give (A) Studio Owner and J.Hilburn three months' prior written notice of such decision, or

(B) a payment equivalent to Studio Owner's immediate past three months compensation under the Compensation Plan based on Studio Stylist's sales, and provide written notice to J.Hilburn of such payment. After such notice or payment, as applicable, Personal Stylist may, with J.Hilburn's written approval, set up his or her own Studio, join another J.Hilburn Studio, or remain an independent Personal Stylist. Only Studio Owner and Personal Stylists may sell Products and Services at or through the Studio.

(d) The Brand Guidelines and the Studio Operations Manual. J.Hilburn shall provide the Brand Guidelines and the Studio Operations Manual, which shall at all times remain the sole property of J.Hilburn, to Studio Owner, and which Studio Owner and its Principals shall at all times ensure that it is kept secure and up to date. If amended by J.Hilburn, Studio Owner agrees that it will fully implement J.Hilburn's amended Brand Guidelines and Studio Operations Manual within the timeframe prescribed by J.Hilburn. In the event of a dispute as to the Brand Guidelines and the Studio Operations Manual terms, the terms of the Brand Guidelines and the Studio Operations Manual maintained by J.Hilburn shall be controlling.

(e) Adherence to System Standards. Studio Owner agrees that every detail of the Studio is important to Studio Owner, J.Hilburn, and other franchisees in order to develop and maintain uniformity among all J.Hilburn Studios and the System Standards, to increase the demand for the Products and Services sold by all J.Hilburn Studios, and to protect J.Hilburn's reputation and goodwill. As such, Studio Owner agrees to:

(i) Operate the Studio in accordance with the Brand Guidelines and the Studio Operations Manual to ensure that the highest degree of quality and service is uniformly maintained;

(ii) Devote the required time, energy, and best efforts to the management and operation of the Studio;

(iii) Maintain the Studio's interior and exterior and surrounding area in good condition and repair;

(iv) Sell or offer for sale the Products and Services as meet J.Hilburn's uniform system and standards of quality and quantity, as have been expressly approved for sale in writing by J.Hilburn;

(v) Purchase, install and update, at Studio Owner's expense, all fixtures, furnishings, décor, signs, equipment and software systems as J.Hilburn may reasonably require from suppliers approved in the Brand Guidelines and the Studio Operations Manual or elsewhere in writing;

(vi) Provide J.Hilburn with access, through means designated by J.Hilburn, to Studio Owner's computer hardware and software systems relating to the Studio;

(vii) Use the Premises only for the operation of the Studio and maintain the Studio open and operational for the minimum number of hours and days, and during the times, required by J.Hilburn and set forth in the Brand Guidelines and the Studio Operations Manual;

(viii) Ensure that it maintains the goodwill of the System, including, but not limited to, by responding promptly to Client comments and concerns, maintaining any Client satisfaction score requirements and following J.Hilburn's Client refund and/or return policies; and

(ix) Maintain the highest standards applicable to the operation of a J.Hilburn Studio and immediately advise J.Hilburn in writing of any violations of any Applicable Law applicable to the operation of the J.Hilburn Studio.

If Studio Owner sells a product or offers a service at or through a Studio that is not authorized in writing by J.Hilburn, then J.Hilburn will impose a fee of \$1,000 a day for each day the product is sold or the service is offered, payable upon demand by J.Hilburn.

(f) Approved Suppliers. Studio Owner shall purchase all (i) Products; (ii) fixtures, furniture, interior and exterior signage, graphics and décor as required by J.Hilburn's design specifications; (iii) advertising and promotional materials, gift certificates, stationery and packaging bearing the Marks; and (iv) all other goods and/or services as J.Hilburn expressly requires from suppliers J.Hilburn approves or designates (which can include J.Hilburn or its Affiliates) as communicated in the Brand Guidelines and the Studio Operations Manual or otherwise in writing by J.Hilburn. If Studio Owner wants to purchase from a supplier not previously approved by J.Hilburn, Studio Owner must get J.Hilburn's prior written approval, based on compatibility with J.Hilburn Brand Guidelines and other criteria. Although approved or designated by J.Hilburn, J.Hilburn and its Affiliates make no warranty and expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to products, services or goods provided by any approved or designated supplier. In addition, J.Hilburn and its Affiliates disclaim any liability arising out of or in connection with the products, services or goods rendered by any supplier approved or designated by J.Hilburn.

(g) Operating Assets. Except for express written warranties made by J.Hilburn or its Affiliates with respect to the Products and Services sold by J.Hilburn or its Affiliates, J.Hilburn and its Affiliates, as applicable, make no warranty of merchantability or of the fitness for any particular purpose.

(h) Sale of Studio Samples. Studio Owner agrees to follow J.Hilburn's policies and restrictions regarding the sale of Studio samples of Products as set forth in the Brand Guidelines and the Studio Operations Manual.

(i) General Maintenance. Studio Owner shall at all times maintain the Studio in the highest degree of cleanliness, sanitation, repair and condition. Should J.Hilburn or its Representatives, during a periodic inspection, discover the need for Studio Owner to

make any upgrades, including, without limitation, such periodic repainting, fixture and furnishings repairs and replacement of obsolete signage as required by the then current System, Studio Owner will take such action within a reasonable time frame required in writing by J.Hilburn. In the event Studio Owner fails to perform such upgrades, maintenance and repairs, J.Hilburn shall have the right, but not the obligation, to enter upon the J.Hilburn Studio for the purpose of making or causing to be made such required corrections, with all costs to be paid by Studio Owner.

(j) Scheduled Renovations. Upon sixty days written notice from J.Hilburn, but no more often than once every three years, Studio Owner, at its own expense, must upgrade and refurbish the Studio within the sixty-day period, including, without limitation, those updates necessary to conform to the then current J.Hilburn Studio decor, floor plan, trade dress, signage and decor, color schemes, equipment and presentation of the Marks and keeping with the public image of new or remodeled J.Hilburn Studios operated by other franchisees and necessary to protect the System. If Studio Owner fails to make any repair or improvement, J.Hilburn may, in addition to its other rights in this Agreement, make such improvement and maintenance, and Studio Owner shall reimburse J.Hilburn for the costs it incurs.

(k) Inspection. J.Hilburn will provide ongoing advisory assistance, as it deems advisable, in the operation of the Studio. J.Hilburn shall have the right to complete at least one annual inspection of the Studio at any time during the year. Studio Owner agrees to permit J.Hilburn and its Representatives, at any reasonable time, access to the Studio to conduct inspections to ensure compliance with J.Hilburn's then-current System Standards, including, but not limited to:

(i) observe, photograph, and videotape the operations of the Studio as J.Hilburn deems necessary, and to include, without limitation, inspections by third parties retained as "mystery shoppers." If the Studio fails any such mystery shopper inspection, Studio Owner will reimburse J.Hilburn for all costs associated with such mystery shopper, including, without limitation, the cost of the mystery shopper's and the goods purchased at the Studio;

(ii) consult with any employee or independent contractor of Studio Owner; and

(iii) perform assessments of Studio Owner's performance and advise Studio Owner of corrective actions that must be taken if Studio Owner fails to satisfy upon any such assessment.

(l) Participation in Promotions. Studio Owner shall at all times actively participate in any and all sales, public relations, advertising, marketing, or promotional programs implemented by J.Hilburn and its Affiliates.

(m) Gift Cards, Credits, Client Retention. Studio Owner must, at Studio Owner's expense, participate in, and comply with the requirements of, any gift card,

credits, and Client retention program that J.Hilburn or its Affiliates may implement for the System and must take such actions required to participate in such programs. Studio Owner must honor gift cards and credits by other J.Hilburn Studio locations or Personal Stylists. Studio Owner will not issue or offer any gift certificate, gift card, Client loyalty or retention program without prior notification to J.Hilburn. J.Hilburn has the right to stop any such program, if, as determined in its sole discretion, it does not meet the System Standards, could damage J.Hilburn's or its Affiliates reputation or is in violation of any law.

(n) Client Feedback. J.Hilburn or its Representatives may, at their sole discretion, periodically email Clients a feedback form or otherwise engage Clients to identify new and better ways for the Studio Owner and J.Hilburn and its Affiliates to serve them. Studio Owner will fully cooperate with such initiatives.

(o) Employees. Studio Owner will be solely responsible for all employment and personnel decisions involving its employees, including but not limited to, the hiring, firing, discipline, supervision, direction, scheduling and compensation of employees for the Studio. Studio Owner agrees that it is an independent business and responsible for the control and management of the day-to-day operations of the Studio. Studio Owner agrees that J.Hilburn has no power, responsibility or liability in any respect to the hiring, discharging, payment of wages or related matters, as the sole responsibility and liability for such matters rest exclusively with Studio Owner.

(p) Credit Card and Other Methods of Payment. All orders placed at or through the Studio must be paid by Visa, MasterCard, Discover and/or American Express. Studio Owner must comply with all federal and state credit card and data security reporting laws, as such may be amended from time to time. Studio Owner also must upgrade periodically its Technology Systems (as defined in Section 11(a)), at Studio Owner's expense, to maintain compliance with such laws and other Applicable Laws. Studio Owner must notify J.Hilburn immediately if it is notified of a credit card breach related to the Studio and Studio Owner's business and must cooperate with applicable authorities fully with respect to the investigation. Studio Owner must cooperate with J.Hilburn fully with respect to media statements (if any) and other items related to managing such an event.

(q) Privacy Laws. Studio Owner will abide by all privacy laws and comply with J.Hilburn's policies pertaining to privacy laws at all times. If there is a conflict between J.Hilburn's policies pertaining to privacy laws and applicable statutory privacy laws, Studio Owner will comply with the requirements of the applicable statutory privacy laws, immediately provide J.Hilburn with written notice of said conflict and promptly and fully cooperate with J.Hilburn and its counsel in determining the most effective way, if possible, to satisfy J.Hilburn's policies within the bounds of applicable statutory privacy laws.

(r) Client Data. All information, mailing lists and databases of Client Data from whatever source, will be J.Hilburn's property. Studio Owner will not use such information except in connection with the operation of the Studio in accordance with this

Agreement. Studio Owner will fully comply with all Applicable Laws with respect to Client Data.

(s) Supplier and Service Accounts. Studio Owner will timely pay all amounts owed to any supplier or service provider. If Studio Owner fails to timely pay such amounts, J.Hilburn may, but is not required to, pay any such amounts and/or perform such obligations on Studio Owner's behalf. If J.Hilburn pays such amounts, then Studio Owner must promptly reimburse J.Hilburn, upon receipt of invoice, for such amounts and its administrative services in connection with such payment. J.Hilburn may set off the amount of any such reimbursement against any payments due to Studio Owner.

(t) System Changes. Studio Owner must, at its sole cost and expense, promptly and fully comply with any changes made to the System by J.Hilburn, including, without limitation, changes in preparation, operations and appearance of the Studio or purchases of assets as are required by J.Hilburn in writing. Studio Owner may be required to attend meetings, at its own cost and expense, to discuss any System changes.

9. Intellectual Property Rights.

(a) Ownership of Intellectual Property. Studio Owner and its Principals acknowledge J.Hilburn's and/or its Affiliates' (including, without limitation, J.Hilburn, Inc.'s) exclusive ownership of and right to use the Marks and all other Intellectual Property created as a result of or related to the operation of the Studio, some of which also constitutes Confidential Information. Except for the non-exclusive license to use granted in this Agreement, Studio Owner and its Principals acquire no right, title or interest in (or any goodwill associated with) the System or the Intellectual Property. All goodwill associated with Studio Owner's use of the System and Intellectual Property will inure solely to the benefit of J.Hilburn, its Affiliates or licensors, as the case may be. J.Hilburn does not grant Studio Owner any ownership right in any Intellectual Property created as a result of Studio Owner's operation of the Studio. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with Studio Owner's use of the System or the Intellectual Property.

(b) Limitations on Studio Owner's Use of Intellectual Property. The Intellectual Property will only be used by Studio Owner in connection with the operation of the Studio and in the manner authorized by J.Hilburn in this Agreement or otherwise in writing by J.Hilburn. Studio Owner will operate, advertise and promote the Studio under the Marks designated by J.Hilburn from time to time and will use no other name or mark and will refrain from using any Marks in conjunction with any word or symbol without J.Hilburn's prior written consent. Studio Owner will not use the Marks as part of its corporate or other legal name, domain name or email address, without J.Hilburn's prior written approval. Studio Owner may not use any Mark in connection with the performance of any unauthorized services or sale of any unauthorized products, as part of any domain name, electronic address, metatag, or otherwise on the Internet (unless expressly authorized in writing by J.Hilburn). Studio Owner will display the Marks in the manner J.Hilburn

requires. Studio Owner's unauthorized use of Marks will be an infringement of J.Hilburn's and/or its Affiliates' rights in and to Marks.

(c) Infringement. Studio Owner will not, directly nor indirectly, infringe, contest or otherwise impair J.Hilburn's and/or its Affiliates' exclusive ownership of, and/or license to, the Intellectual Property, either during or after the termination or expiration of this Agreement. Studio Owner and its Principals will execute all documents requested by J.Hilburn, its Affiliates or their counsel that are necessary to obtain protection for the Intellectual Property or to maintain their continued validity or enforceability and will take no action that would jeopardize the validity or enforceability thereof. Studio Owner and its Principals will promptly notify J.Hilburn of any third-party use of the Intellectual Property of which Studio Owner or its Principals know or have reason to know is unauthorized or of any action or proceeding instituted by any person or Entity against J.Hilburn or its Affiliates, Studio Owner or its Principals or any other franchisee involving the Intellectual Property. J.Hilburn and/or its Affiliates have the right, but not the obligation, to take action against any use of the Intellectual Property by others that may constitute infringement thereof. Studio Owner will execute any and all documents and give such assistance as may, in the opinion of J.Hilburn's counsel, be reasonably requested to carry out any defense or prosecution. Studio Owner acknowledges that J.Hilburn and/or its Affiliates have the right to direct and control any proceeding or litigation involving the Intellectual Property, including any settlement. J.Hilburn shall defend Studio Owner against any third-party claim, suit or demand arising out of Studio Owner's authorized use of the Intellectual Property. If J.Hilburn, in its sole discretion, determines that Studio Owner has used the Intellectual Property in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by J.Hilburn. If J.Hilburn, in its sole discretion, determines that Studio Owner has not used the Intellectual Property in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Studio Owner.

(d) Non-Exclusive. This limited license to use the Intellectual Property is non-exclusive, and J.Hilburn and/or its Affiliates have the right to grant other franchisees and other third parties the right to use the Intellectual Property.

(e) Change in Intellectual Property. J.Hilburn may, at any time, at its sole option, require Studio Owner to use any additional Marks or other Intellectual Property. If J.Hilburn deems it advisable to modify or discontinue the use of any Mark or other Intellectual Property and/or use one or more additional or substitute trade or service marks, Studio Owner will comply with J.Hilburn's directions within a reasonable time after receiving written notice from J.Hilburn. All costs relating to the modification or discontinuance of the use of any Mark, other Intellectual Property and/or the use of one or more additional or substitute trade or service marks will be paid by Studio Owner.

(f) Irreparable Harm. Studio Owner agrees that the failure to comply with the requirements of this Section 9 would result in irreparable harm and any damages would be both incalculable and an insufficient remedy so that J.Hilburn and/or its Affiliates would

have no adequate remedy at law. Accordingly, J.Hilburn and/or its Affiliates, in addition to any other remedies provided for in this Agreement or at law or in equity, shall be entitled to seek in any court of competent jurisdiction, equitable relief, including injunctive relief and specific performance, without the requirement of posting bond or security. Studio Owner shall pay all court costs and attorneys' fees incurred by J.Hilburn in obtaining such relief.

10. Advertising and Marketing.

(a) General Requirements. Studio Owner agrees that all advertising and marketing by Studio Owner will be conducted in a commercially acceptable manner and will conform to such standards and requirements as J.Hilburn may provide in writing.

(b) Advertising and Marketing. J.Hilburn may offer from time-to-time approved advertising, marketing, and promotional plans and materials. All such advertising and marketing will be distributed through such media or communication channels as approved in writing by J.Hilburn. Studio Owner may not engage in any form of advertising or marketing which contains the Mark or other intellectual property of J.Hilburn or its Affiliates, including in social media, that does not specifically reference Studio Owner's Studio. Studio Owner must advise J.Hilburn in advance of the publishing of such advertising and marketing. Studio Owner may not advertise in a medium not authorized or approved in writing by J.Hilburn. J.Hilburn has the right to require Studio Owner to immediately discontinue any advertising or marketing containing the Marks which does not meet the System Standards or the terms of this Agreement and/or may impose a fee of \$1,000 per occurrence payable upon demand by J.Hilburn for such improper advertising.

(c) Approval of Advertising and Marketing. Samples of any advertising or promotions not previously approved by J.Hilburn must be submitted to J.Hilburn for its prior written approval. J.Hilburn will own the copyrights to any materials so submitted. Studio Owner will not utilize any advertising, marketing, social media or promotion using the Marks which has not been approved in writing by J.Hilburn or which has been disapproved by J.Hilburn.

(d) Electronic and Digital Advertising and Marketing. Until J.Hilburn provides specific electronic and digital advertising and marketing materials, Studio Owner and its Affiliates may create and post content on electronic or Internet communication, including blogs, instant message services such as X or Snapchat, social media sites such as Facebook, X, Pinterest or Instagram, ("**Digital Marketing**"), directly or indirectly, displaying or using the Marks or other Intellectual Property or the Products of J.Hilburn, its Affiliates or its franchisees if, without reservation, this content is within the approved guidelines specified in the Brand Guidelines as it relates to 1) color; 2) font; 3) professional imagery; 4) professional language; 5) appropriate surroundings; and 6) clear disclosure that such content was personally styled by the Studio Owner or its Affiliates and not by J.Hilburn or its Affiliates. J.Hilburn reserves the right to impose a financial penalty of \$1,000 per violation in its full discretion if Studio Owner and its Affiliates breach these guidelines

more than three times within one year, and/or to repeal the right of the Studio Owner and its Affiliates to use the Marks in any form of marketing or advertising for the duration of the franchise term.

(e) Special Promotions. In addition to the regional and local advertising described in this Section 10, J.Hilburn may from time to time implement advertising, marketing and sales promotional programs in which Studio Owner will participate upon such terms and conditions established by J.Hilburn. Such programs may include, without limitation, specialized Products or Services, marketing promotions, specialized offerings and similar programs. All such advertising, marketing and promotion, including the type, quantity, timing, placement, choice of media, market areas, promotional programs and advertising agencies will be determined solely by J.Hilburn.

(f) Press Releases. No public communication, press release or announcement regarding this Agreement, the operation of the Studio, or any other event will be made by Studio Owner to the media or other third parties without J.Hilburn's prior written approval, which approval can be withheld at J.Hilburn's sole discretion. Studio Owner will not disclose the substance of this Agreement to any third party except as necessary to obtain a lease or renewal or obtain any permit, license or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Studio Owner or for any public disclosure required by Applicable Laws.

(g) Pricing Policies. J.Hilburn will provide retail prices for Products and Services on its Website (as defined in Section 12) and in other materials. Pricing must be in compliance with the terms of this Agreement, the Brand Guidelines and the Studio Operations Manual and Applicable Law. Studio Owner will honor the terms of all promotional programs that J.Hilburn may offer to Clients of J.Hilburn Studios.

(h) Truthful Advertising, Marketing and Promotion. Any advertising, promotion or marketing Studio Owner conducts must be factually accurate and not misleading and conform to the highest standards of ethical marketing and the promotional policies which J.Hilburn requires from time to time, including, the System Standards.

11. Technology Systems.

(a) Technology Systems. Studio Owner shall purchase and maintain (i) an Apple Ipad and related Order Management app of J.Hilburn and/or its Affiliates; (ii) printers and other peripheral devices; (iii) Internet access mode (e.g., form of telecommunications connection) and speed; and (iv) front of the house WiFi and other Internet services for Clients (the "**Technology Systems**") required by J.Hilburn, if any, in the Studio Operations Manual. J.Hilburn may periodically require that Studio Owner, at its sole cost, modify, upgrade or change the System Standards for the Technology Systems within sixty days from the date of notice from J.Hilburn, or within such other time frame required by J.Hilburn. J.Hilburn may, at its sole option, charge a technology fee for use of the Technology Systems and/or a systems fee for modifications of and enhancements made to any proprietary software that J.Hilburn licenses to Studio Owner and other maintenance

and support services that J.Hilburn or its Affiliates furnish to Studio Owner related to the Technology Systems. If a data security breach occurs, Studio Owner must immediately notify J.Hilburn and comply with all investigation and remediation efforts related to the breach consistent with J.Hilburn's System Standards. Studio Owner authorizes vendors designated or approved by J.Hilburn to conduct periodic data security and compliance audits and to perform remediation measures pursuant to System Standards.

(b) Systems Access. Studio Owner may be provided access to computer or electronic systems (or any substitute thereof), including, without limitation, any third-party computer or electronic systems. Studio Owner will be responsible for all of its actions relating to such systems, including the use of any logon IDs, passwords or other authentication methods provided to Studio Owner. All of Studio Owner's connectivity or attempted connectivity to J.Hilburn's computing systems will be only through J.Hilburn's security gateways or J.Hilburn's firewalls. Studio Owner will not access, and will not permit unauthorized persons or Entities within its control to access, J.Hilburn's computing systems without J.Hilburn's express written authorization, and any such actual or attempted access will be consistent with any such authorization.

12. Website.

(a) Website. J.Hilburn and its Affiliates may establish and will maintain a website (a "**Website**") (but are under no obligation to do so) which currently is www.J.Hilburn.com. J.Hilburn and its Affiliates will have sole discretion and control over the Website design and contents and can amend or modify the Website at any time. The Website may identify Studio Owner's Studio by name, geographic region, address, telephone number, email address or by other identifying features. J.Hilburn and its Affiliates may link the Website to the websites of third parties, including, electronic service providers and other providers of goods and services. J.Hilburn and its Affiliates may also permit third parties to link to the Website. J.Hilburn and its Affiliates may place the Marks, corporate logos and slogans, advertisements, endorsements, disclaimers and other identifying information on the Website. J.Hilburn and its Affiliates may establish or participate in programs whereby J.Hilburn or its Affiliates refer end-users to other websites, or J.Hilburn or its Affiliates receive referrals from other websites. All consideration (monetary or non-monetary) received by J.Hilburn or its Affiliates on account of the placement or sale of advertisements, endorsements and sponsorships on the Website, will belong only to J.Hilburn and its Affiliates, as applicable. J.Hilburn and/or its Affiliates may discontinue the Website at any time without liability to Studio Owner. J.Hilburn and its Affiliates will establish written policies and procedures for the use of the Website.

(b) Electronic Commerce. J.Hilburn and its Affiliates may, at its discretion, use the Website for the purpose of offering and selling Products and Services and accepting orders and payment for its Products and Services directly or indirectly through means of electronic communication, including the Internet.

(c) Termination of Use. If Studio Owner is in default under this Agreement, any Related Agreement or any additional agreement with J.Hilburn or its Affiliates, J.Hilburn or its Affiliates may, in addition to, and without limiting any other rights and remedies available to J.Hilburn, disable or terminate Studio Owner's access to the Website without any liability to Studio Owner.

13. Accounting and Records.

(a) Accounting and Records. Studio Owner will be solely responsible for its own accounting services and any required related hardware or software. Studio Owner will maintain accurate and complete records as specified in the Brand Guidelines and the Studio Operations Manual.

(b) Accounting Statements. In addition to the general accounting and reporting requirements relating to the Studio, Studio Owner will submit the following to J.Hilburn in the form prescribed by J.Hilburn, at Studio Owner's cost:

(i) An annual business plan, which includes a summary of the prior year's results and goals and strategies for the upcoming year, within thirty days of the end of each fiscal year; and

(ii) Audited annual financial statements as of the end of each fiscal year prepared in conformity with generally accepted accounting principles applied on a consistent basis, within sixty days of the end of each fiscal year during the Term and any Renewal Term.

Franchisee shall sign each statement certifying that it is true and correct. Studio Owner irrevocably consents to J.Hilburn's use of information in its financial statements in J.Hilburn's Franchise Disclosure Document.

(c) General Accounting Principles. Studio Owner will maintain for at least five years (or longer if required by federal or state laws) from the dates of preparation, complete and accurate books, records and accounts in accordance with generally-accepted accounting principles in the United States and in the form and manner prescribed by J.Hilburn in the Brand Guidelines and the Studio Operations Manual or otherwise in writing.

14. Representations and Warranties.

(a) Representations and Warranties of Studio Owner. Studio Owner and each of its Principals represent, warrant and covenant to J.Hilburn that:

(i) it is duly formed and organized, validly existing and in good standing under the laws of the jurisdiction of its organization with all requisite power and authority to enter into this Agreement and the Related Agreements and perform the obligations contained in this Agreement and the Related Agreements;

(ii) it has the necessary consents, approvals, licenses and/or permits to carry out the business activities contemplated by this Agreement, and it will furnish such other information about its organization as J.Hilburn may reasonably request to confirm the same;

(iii) the execution, delivery and performance by Studio Owner of this Agreement and the Related Agreements have been duly authorized by all requisite actions on the part of Studio Owner, and no further actions are necessary to make this Agreement and the Related Agreements valid and binding upon it and enforceable against it in accordance with their respective terms;

(iv) Studio Owner's governing documents will at all times provide that Studio Owner's activities are confined exclusively to the operation of the Studio when in the Studio unless otherwise consented to in writing by J.Hilburn;

(v) neither the execution, delivery nor performance by Studio Owner of this Agreement or the Related Agreements will conflict with, or result in a breach of any term or provision of Studio Owner's organization or formation documents, and/or other governing documents and any amendments thereto; any indenture, mortgage, deed of trust or other material contract or agreement to which Studio Owner is a party or by which it or any of its assets are bound; or breach any order, writ, injunction or decree of any court, administrative agency or governmental body;

(vi) certified copies of Studio Owner's organizational and/or other governing documents and any amendments thereto, including all resolutions authorizing this Agreement and the Related Agreements have been delivered to J.Hilburn, and any amendments or changes to such governing documents subsequent to the date of this Agreement will not be undertaken without J.Hilburn's prior written consent;

(vii) all Ownership Interests in Studio Owner are accurately and completely described in Exhibit A;

(viii) if Studio Owner is a corporation, Studio Owner will maintain stop-transfer instructions against the transfer on Studio Owner's records of any of its equity securities and each stock certificate will have conspicuously endorsed upon it a statement in a form satisfactory to J.Hilburn that it is held subject to all restrictions imposed by this Agreement; and if Studio Owner is a partnership or limited liability company, its written partnership or limited liability company agreement (and, if applicable, any certificates issued in connection therewith) will provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed by this Agreement; and

(ix) each Principal represents, warrants and covenants that neither the execution, delivery nor performance by Studio Owner or a Principal of this

Agreement or any Related Agreements conflicts with, or results in a breach of any contract or agreement to which Principal is a party or a breach of any order, writ, injunction or decree of any court, administrative agency or governmental body.

(b) Studio Owner's Principals. Studio Owner will notify J.Hilburn within ten days following the date that any person or Entity previously identified as a Principal ceases to qualify as a Principal or that any new person or Entity becomes one of Studio Owner's Principals. That person or Entity will immediately execute all documents (including, without limitation, a consent to a background check at such person's or Entity's cost, this Agreement and a Guaranty) required by J.Hilburn to be executed by Principals. Any such change in Principal is subject to the provisions of Section 18.

(c) Guaranty. Studio Owner's Principals will, jointly and severally, guarantee the performance of Studio Owner's obligations, covenants and agreements under this Agreement pursuant to the terms and conditions of the Guaranty, attached as Exhibit G and incorporated in this Agreement by reference, and will otherwise bind themselves to the terms of this Agreement.

(d) Gratuities; Gifts; Conduct. Neither Studio Owner nor any Principal will make a gift of any kind to any J.Hilburn, its Affiliates, any of their employees, or any family member of an employee that could be viewed as relating to an actual or potential business relationship with such recipients. Gifts include entertainment, personal services, favors, discounts and other preferential treatment of any kind. J.Hilburn may interpret such action as an improper attempt to influence its employee or related family member. For the avoidance of doubt, gifts do not include reasonable refreshments at a meeting between J.Hilburn or its Representatives and Studio Owner or other customary courtesies.

15. Restrictive Covenants.

(a) Confidential Information. Studio Owner and its Principals and their spouses have no right, title or interest in the Confidential Information except as expressly provided for in this Agreement. All Confidential Information is proprietary to and owned by J.Hilburn or its Affiliates. Studio Owner and its Principals will only communicate, disclose or use the Confidential Information as expressly permitted in this Agreement solely in connection with the Studio or as required by Applicable Laws. Studio Owner and its Principals will keep the Confidential Information confidential and will disclose the Confidential Information only to such of Studio Owner's independent contractors, employees or agents who must have access to it in connection with their employment or the operation of the Studio. Neither Studio Owner nor its Principals nor its independent contractors, agents or employees will copy, reproduce or duplicate in whole or in part any Confidential Information, make Confidential Information available to any unauthorized person or assign, sell, trade or otherwise profit in any way from the Confidential Information. The covenant will survive the expiration, termination or transfer of this Agreement and will be perpetually binding upon Studio Owner and its Principals.

(b) Non-Solicitation/Non-Competition. In consideration of the disclosure to Studio Owner of the System and the Confidential Information, during the Term of this Agreement and for a continuous uninterrupted period of one year following its expiration, termination or an approved Transfer, and with respect to a Principal, following the date the Principal ceases to be a Principal under this Agreement, neither Studio Owner nor its Principals (nor a Principal's spouse) will, directly or indirectly for itself, himself or herself or through, on behalf of, or in conjunction with any other person or Entity:

(i) divert or attempt to divert any present or prospective business or Client of the Studio or any J.Hilburn Studio to any other person or Entity, or take any other action injurious or prejudicial to the goodwill associated with the Intellectual Property or the System; or

(ii) own, maintain, advise, operate, engage in, or be employed by, make loans to or have an Ownership Interest in a business which primarily sells custom men's apparel (except a J.Hilburn business) within the United States (a "**Competitive Business**"). This restriction will apply to any Competitive Business located within the Designated Area or within a five-mile radius of any J.Hilburn Studio then operating or under construction in the United States, except as otherwise approved in writing by J.Hilburn.

(c) Independent Covenants. 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.

(d) Reasonableness/Enforceability Not Affected. Studio Owner and each of its Principals agree that the covenants contained in this Section 15 are reasonable and necessary to protect the business and goodwill of the System and to avoid unauthorized use of the System and the Confidential Information. Studio Owner and its Principals agree that Studio Owner and its Principals possess the education, training and experience necessary to earn a reasonable livelihood apart from operating a Competitive Business. Studio Owner and its Principals agree that the existence of any claims they may have against J.Hilburn, whether or not arising from this Agreement, will not constitute a defense to the enforcement by J.Hilburn of the covenants in Section 15.

(e) Additional Covenants. Studio Owner will require and obtain for the benefit of J.Hilburn execution of written covenants similar to those set forth in this Section 15 (and approved by J.Hilburn) from all of its Principals and the directors, officers and managers of Studio Owner and any employees having access to materials or information furnished or disclosed to Studio Owner by J.Hilburn. J.Hilburn shall be an express third-party beneficiary of such covenants with the independent right to enforce them.

(f) Irreparable Injury. Studio Owner agrees that the failure to comply with the requirements of this Section 15 would result in irreparable harm and any damages would be both incalculable and an insufficient remedy so that J.Hilburn would have no adequate

remedy at law. J.Hilburn, in addition to any other remedies provided for in this Agreement or at law or in equity, shall be entitled to seek in any court of competent jurisdiction, equitable relief, including injunctive relief and specific performance, without the requirement of posting bond or security. Studio Owner shall pay all court costs and attorneys' fees incurred by J.Hilburn in obtaining such relief.

(g) Non-Disparagement. Neither Studio Owner nor its Principals or independent contractors, agents or employees, if any, shall make any negative, disparaging, untrue or misleading comments about J.Hilburn, its Affiliates or its their Representatives, other studio owners, Personal Stylists or the System. Studio Owner may not, by any act or omission, harm or impair the value of the goodwill associated with the Marks and the System.

16. Indemnification.

(a) Indemnification. Studio Owner and each of its Principals agree to and do jointly and severally, indemnify, defend (by counsel chosen by J.Hilburn) and agree to hold harmless J.Hilburn, its Affiliates and any Representatives from all Losses and Expenses incurred as a result of, directly or indirectly, any action, suit, proceeding, claim, investigation or inquiry ("**Action**") arising, directly or indirectly, from or in connection with a claim by a third party against J.Hilburn, its Affiliates and/or any Representatives in connection with:

(i) Studio Owner's or any of its Principal's alleged infringement or alleged violation of any trademark or other proprietary name, mark or right allegedly owned or controlled by a third party;

(ii) The violation, breach or asserted violation or breach by Studio Owner or any of its Principals of any Applicable Laws;

(iii) Libel, slander or any other form of defamation of J.Hilburn, its Affiliates, any Representatives, the System or any studio owner or Personal Stylist by Studio Owner or any of its Principals;

(iv) Studio Owner's failure to perform or the violation or breach by Studio Owner or any of its Principals of any warranty, representation, agreement or obligation in this Agreement, any Related Agreements or in any other agreement between Studio Owner and J.Hilburn or its Affiliates or a third party;

(v) The advertising, marketing, or promotion of the Studio by Studio Owner and its Principals or the Products and Services or the sale of any Products and Services offered by the Studio, including unfair or fraudulent advertising claims (whether in print advertising or electronic media), and product liability claims;

(vi) Any dispute between Studio Owner and other franchisee studio owners that operate their J.Hilburn business at or through the Studio on the Premises;

(vii) Any allegedly unauthorized service or act rendered or performed in connection with this Agreement, regardless of whether it resulted from any strict or vicarious liability imposed by law on J.Hilburn Representative; and

(viii) Any action taken or any inaction by Studio Owner prior to the date of this Agreement in connection with Studio Owner's or its Principals' Personal Stylist business.

The foregoing indemnity will apply even if it is determined J.Hilburn, its Affiliates and/or any Representatives' negligence caused such loss, liability or expense, in whole or in part. However, this indemnity will not apply to any liability arising from a breach of this Agreement or by any gross negligence or willful acts by J.Hilburn, its Affiliates and/or any Representatives (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement will extend to any finding of comparative or contributory negligence attributable to Studio Owner). J.Hilburn will give Studio Owner reasonable notice of any indemnified matter of which J.Hilburn becomes aware, and J.Hilburn may elect (but is not obligated) to direct the defense of the indemnified matter, including the selection of appropriate counsel at J.Hilburn's sole determination. J.Hilburn may take such actions as it deems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions as may be necessary for the protection of J.Hilburn, its Affiliates and/or any Representatives or J.Hilburn Studios. Notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with this Agreement agrees to undertake the defense of an indemnified matter, J.Hilburn agrees not to exercise J.Hilburn's right to select counsel to defend the event if such would cause Studio Owner's insurer to deny coverage. J.Hilburn reserves the right to retain counsel to represent it or its Affiliates or any Representatives with respect to any such indemnified matter at Studio Owner's cost and expense.

(b) Settlement and Remedial Actions. In order to protect persons or property, or its reputation or goodwill, J.Hilburn may, at any time and without notice, as it, in its sole judgment, deems appropriate, consent or agree to settlements or take such other remedial or corrective actions it deems expedient with respect to any Action. J.Hilburn's election to settle will not diminish Studio Owner's and each of its Principal's obligations to defend, indemnify and hold J.Hilburn, its Affiliates and/or any Representatives harmless from all Losses and Expenses.

(c) Expenses. All Losses and Expenses incurred under this Section 16 will be paid by Studio Owner or any of its Principals regardless of any actions, activity or defense undertaken by J.Hilburn or its Affiliates or the subsequent success or failure of such actions, activity or defense.

(d) Third-Party Recovery. Under no circumstances will J.Hilburn, its Affiliates and/or any Representatives be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Studio Owner or any of its Principals. Studio Owner and each of its Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from Studio Owner or any of its Principals by J.Hilburn, its Affiliates and/or any Representatives.

(e) Survival. Studio Owner and its Principals expressly agree that the terms of this Section 16 will survive the termination, expiration or Transfer of this Agreement or any interest herein.

17. Insurance.

(a) Types of Insurance. Prior to the commencement of construction of the Studio and for the entire Term, Studio Owner will obtain and maintain insurance protecting Studio Owner and J.Hilburn, its Affiliates and/or any Representatives against any demand or claim arising or occurring in connection with the construction and operation of the Studio. Studio Owner must obtain and maintain in effect for the Studio comprehensive and general liability insurance, including personal and advertising injury coverage, products liability insurance, and coverages for fire, legal liability and medical expenses; and (ii) such other insurance policies J.Hilburn may require, or as required by applicable law.

(b) Requirements. All insurance policies must (i) be issued by a responsible carrier or carriers that have received and maintain an A.M. Best Rating of “(A) V” or better and an A.M. Best Class Rating of VIII (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered), and otherwise approved by J.Hilburn; (ii) contain such types and minimum amounts of coverage, exclusions and maximum deductibles set forth in attached Exhibit H and incorporated in this Agreement by reference, as such may be amended by J.Hilburn from time to time; (iii) name J.Hilburn and its Affiliates, successors and assigns as additional insureds; (iv) include a waiver of subrogation provision or endorsement in favor of J.Hilburn, its Affiliates and/or any Representatives; (v) be primary and non-contributory to any other insurance that any of J.Hilburn, its Affiliates and/or any Representatives has procured; (vi) provide for thirty days’ prior written notice to J.Hilburn of any material modification, cancellation, or expiration of such policy; and (vii) include such other provisions as J.Hilburn may require from time to time. Such endorsements must not contain language that limits the liability afforded to J.Hilburn and its Affiliates to any amount less than stated on the declarations page of each policy. No insurance policy will contain a provision that in any way limits or reduces coverage for Studio Owner in the event of a claim by J.Hilburn, its Affiliates and/or any Representatives. Such insurance coverage will not include an insured versus insured exclusion or any exclusion that prevents coverage of a claim by one insured against another. All insurance coverage will include a separation of insureds provision.

(c) Evidence. Within thirty days after the execution of the Lease and, thereafter, at least sixty days prior to the expiration of any such policy, Studio Owner will deliver to J.Hilburn evidence of such insurance in the form of certificates evidencing such coverage as well as endorsements reflecting the requirements of this Section 17 and all language found in the policies that relate to the determination of who is an additional insured, and the scope of the additional insured's coverage. J.Hilburn has the right, but not the obligation, to inspect any actual policies required under this Agreement for compliance with all specified coverage, terms, conditions, endorsements, and limits under this Agreement.

(d) Additional Insurance. Studio Owner's obligation to maintain insurance coverage is not diminished by reason of any separate insurance J.Hilburn may choose to maintain, nor does it relieve Studio Owner of any of its obligations under this Section 17. Studio Owner acknowledges and agrees that the coverages required by J.Hilburn are the minimum amounts of coverage that Studio Owner must procure under this Agreement. Studio Owner is free to buy additional insurance coverage or increase the amounts of coverage as Studio Owner deems appropriate based on Studio Owner's investigation as to whether additional coverages or higher amounts are necessary. Studio Owner further acknowledges and agrees that Studio Owner is not relying upon J.Hilburn to determine the amount or type of insurance coverage necessary for Studio Owner. Studio Owner releases J.Hilburn from any and all claims relating to the procurement of insurance including claims that J.Hilburn did not require Studio Owner to procure adequate insurance.

18. Transfer of Interest.

(a) Transfer by J.Hilburn. J.Hilburn has the right to sell, transfer, convey or assign this Agreement, its rights to the Intellectual Property, its Ownership Interests, its assets and all or any part of its rights, interests or obligations in this Agreement to any person or Entity at any time without the consent of Studio Owner or its Principals. Upon such transfer by J.Hilburn, any transferee or assignee of J.Hilburn will become solely responsible for all such obligations of J.Hilburn under this Agreement from the date of transfer. Without limiting the foregoing, Studio Owner acknowledges that J.Hilburn may sell its assets (including its rights in the Intellectual Property and the System) to a third party, may offer its securities privately or publicly, may merge, acquire other Entities or be acquired by another Entity or person, and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Studio Owner expressly waives any claims, demands or damages against J.Hilburn or its Affiliates arising from or related to J.Hilburn's transfer of its rights in this Agreement, the Intellectual Property or the System to any other party. Nothing contained in this Agreement will require J.Hilburn to remain in the business of licensing the operation of J.Hilburn Studios or any other business or to offer any services or products to Studio Owner, whether or not bearing or not bearing the Intellectual Property if J.Hilburn transfers its rights in or obligations under this Agreement.

(b) Transfer by Studio Owner. Studio Owner and its Principals understand and acknowledge that the rights and duties set forth in this Agreement are personal to Studio Owner and its Principals and are granted, in part, in reliance upon the skill, aptitude, business and financial capacity of Studio Owner and its Principals. Accordingly, no Transfer by Studio Owner or its Principals is permitted without three months' prior written notice to, and the prior written approval of, J.Hilburn, which can be withheld in its sole and absolute discretion. Any such attempted Transfer not approved in writing by J.Hilburn will be null and void from its inception.

(c) Conditions for Approval of Transfer. Provided J.Hilburn has not exercised its right of first refusal under Section 18(d), J.Hilburn will consider approval of a Transfer only if all of the following conditions are met prior to or concurrently with the proposed effective date of the Transfer to J.Hilburn's satisfaction (as determined in its sole discretion):

(i) Studio Owner is in full compliance with all of the terms and conditions of this Agreement, all Related Agreements and any other agreement between Studio Owner and J.Hilburn or its Affiliates and pays all amounts due to J.Hilburn and its Affiliates;

(ii) Studio Owner and its Principals remain liable for the performance of their obligations contained in this Agreement through the date of Transfer and for all acts, events and omissions which occurred prior to the effective date of the Transfer and execute all instruments reasonably requested by J.Hilburn to evidence such liability;

(iii) The proposed transferee (and its direct and indirect owner) (A) has sufficient business experience, aptitude, assets and financial resources to operate the Studio; (B) meets J.Hilburn's then-applicable System Standards for J.Hilburn Studio Owners; (C) is not engaged in, during the Term of this Agreement, the operation or ownership of a Competitive Business; and (D) will cooperate with reasonable due diligence requests made by J.Hilburn (including, without limitation, the consent to a background check at transferee's sole cost);

(iv) The transferee and all owners of any record or beneficial interest in the Ownership Interests of the transferee execute all documents (including the then current franchise agreement and guaranty) reasonably requested by J.Hilburn. Such new franchise agreement may contain terms materially different from this Agreement, including different fees and will be for a term equal to the then unexpired Term of this Agreement;

(v) Studio Owner assigns all of its right, title and interest in the Lease to the transferee with the written consent of the landlord and obtains all other consents required for such Transfer;

(vi) Studio Owner and its Principals execute a general release of any and all claims against J. Hilburn, its Affiliates and any Representatives arising under this Agreement and any Related Agreements and the operation of the Studio in a form substantially similar to the Release attached as Exhibit C;

(vii) Studio Owner reimburses J.Hilburn for all of J.Hilburn's costs and expenses with respect to the Transfer;

(viii) The transferee complies with J.Hilburn's then-current application requirements for a new franchise, including, but not limited to, receipt of J.Hilburn's then-current form of Franchise Disclosure Document, and delivery to J.Hilburn of a receipt evidencing the date of delivery of the Franchise Disclosure Document, provided, however, J.Hilburn will not be liable for any representations other than those contained in the Franchise Disclosure Document;

(ix) Studio Owner and each Principal have complied with any other conditions that J.Hilburn reasonably requires from time to time as part of its Transfer policies, provided that such conditions will not be more stringent than any conditions otherwise imposed on new franchisees signing the then-current franchise agreement; and

(x) J.Hilburn's consent to any Transfer shall not constitute a waiver or release of any conditions to such Transfer or any claims J.Hilburn has against Studio Owner or any Principal.

(d) Right of First Refusal. If Studio Owner and/or any of Studio Owner's Principals (a "***Seller***") desire to make a Transfer, J.Hilburn or its assignee will have the right and option, exercisable within thirty days after J.Hilburn's receipt of all materials and information described in this Section 18(d), to purchase the interest (the "***Interest***") proposed to be Transferred. Studio Owner will notify J.Hilburn in writing of any proposed Transfer and provide a complete description of the Interest to be Transferred and all terms and fees of the proposed Transfer in the manner prescribed by J.Hilburn, including the prospective transferee's name, address, financial qualifications and previous five years business experience. Studio Owner will provide J.Hilburn with any additional information or documents J.Hilburn requests to evaluate whether to exercise its first refusal right. Once J.Hilburn has reviewed all materials, J.Hilburn will notify Studio Owner and Seller whether or not it will exercise its right to acquire the Interest within such sixty-day period. If J.Hilburn exercises its option to purchase, J.Hilburn is entitled to purchase the Interest subject to all representations and warranties, releases, non-competition covenants, closing documents and indemnities as J.Hilburn reasonably may require and such other material terms to which Seller and the proposed transferee have agreed. If the form of purchase price, terms, and/or conditions offered by the proposed transferee are such that J.Hilburn or its assignee may not reasonably be able to furnish the same form of purchase price, terms and/or conditions, then J.Hilburn or its assignee may purchase the Interest for the reasonable equivalent in cash. If the parties cannot agree, within a reasonable time, on the reasonable equivalent in cash of the purchase price, terms and/or conditions offered by the

third party, an independent appraiser will be designated by J.Hilburn, and such appraiser's determination will be binding. If J.Hilburn or its assignee elects to purchase the Interest, J.Hilburn or its assignee shall have sixty days from its written election to close the purchase. If J.Hilburn declines to exercise its first refusal right, Seller may Transfer the Interest to the transferee on the same terms and conditions offered to J.Hilburn within thirty days after receipt of written notice from J.Hilburn declining such right. Failure to Transfer the Interest within the thirty-day period or any changes in the terms of the offer shall constitute a new offer subject to the right of first refusal in this Section 18. J.Hilburn's failure to exercise its first refusal right shall not constitute a waiver or release of any conditions to such Transfer or any claims J.Hilburn has against Studio Owner or any Principal.

(e) Death or Disability. Within fifteen days after the death or Permanent Disability (as defined below) of Studio Owner, if an individual or Studio Owner's Principals if an Entity, Studio Owner or a representative of Studio Owner or its Principal must notify J.Hilburn in writing. J.Hilburn will have the absolute right to terminate this Agreement upon such death or Permanent Disability without any further obligations (financial or otherwise) to Studio Owner, its Principals or their representatives. If a representative of an individual Studio Owner or a remaining Principal or his or her representatives wish to continue to operate the Studio, they shall contact J.Hilburn within thirty days of the death or Permanent Disability and J.Hilburn may, but is under no obligation to, consider such request. If J.Hilburn chooses, in its sole discretion, to consider such request, the transferee must meet the then current qualifications for a new franchisee and the obligations set forth in Section 18(c). "**Permanent Disability**" means any physical, emotional, or mental injury, illness or incapacity that would prevent any Principal holding a Controlling Interest in Studio Owner from performing his or her obligations under this Agreement or Related Agreements for at least ninety consecutive days, and from which condition recovery within ninety days from the date of determination of disability is unlikely. If the Parties disagree as to whether a person is permanently disabled, the existence of Permanent Disability will be determined by a licensed practicing physician selected by J.Hilburn, upon examination of the person; or if the person refuses to submit to an examination, then the person automatically will be considered permanently disabled as of the date of refusal. The costs of any examination will be paid by J.Hilburn.

(f) Granting of a Security Interest by Studio Owner. Studio Owner shall not grant a security interest in the Studio, any of the assets of the Studio or any Ownership Interest of Studio Owner without first obtaining the prior written consent of J.Hilburn, which consent or refusal to consent is made at its sole discretion. J.Hilburn shall consent to granting of any such security interest if the security interest is only for securing a loan in favor of Studio Owner, which proceeds shall solely be for the benefit of the Studio's operation, and J.Hilburn shall have the right at its sole option (but not the obligation) to cure any default under any documents in any way relating to the security interest or the loan.

(g) Consent to Option. Upon execution of this Agreement, each spouse of a Principal will execute a consent to the provisions of Section 15, Section 18(d) and Section 20(k), in the form attached as Exhibit I and incorporated in this Agreement by reference. Such consent will subject any interest they may have in this Agreement, in the Studio or in Studio Owner (whether a separate property interest, joint ownership property interest, community property interest or otherwise) to the right of first refusal and other provisions of those Sections, as applicable.

19. Default and Termination.

(a) Events of Default. The occurrence of any of the events set forth in Sections 19(b), (c) or (d) below will be deemed an event of default (an “**Event of Default**”) constituting just cause for exercising any of the remedies set forth in this Agreement.

(b) Termination for Insolvency. Studio Owner will be in default under this Agreement, and all rights granted by this Agreement will automatically terminate without notice to Studio Owner if: (i) Studio Owner (or any Principal) becomes insolvent or makes a general assignment for the benefit of creditors; (ii) Studio Owner files a voluntary petition under any section or chapter of the federal bankruptcy laws or under any similar Applicable Laws or statute of the United States or any state, or admits in writing its inability to pay its debts when due; (iii) Studio Owner is adjudicated bankrupt or insolvent in proceedings filed against Studio Owner under any section or chapter of the federal bankruptcy laws or under any similar Applicable Laws of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Studio Owner or other custodian for Studio Owner’s business or assets is filed and consented to by Studio Owner; or if a receiver or other custodian (permanent or temporary) of Studio Owner’s assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or (iv) the Studio or its assets are attached, seized, subject to a writ or distress warrant or levied upon, unless such attachment, writ or distress warrant or levy is vacated within thirty days after notice from J.Hilburn.

(c) Other Events of Default. J.Hilburn may terminate this Agreement upon delivery to Studio Owner of written notice as a result of the occurrence of any of the following Events of Default, and Studio Owner’s failure to cure such Event of Default within the cure period described below, if any, and if no stated cure period, immediately upon J.Hilburn’s written notice of such Event of Default to Studio Owner:

(i) Studio Owner (or any of its Principals) has made any material misrepresentation or omission in connection with this Agreement that impacts J.Hilburn;

(ii) Studio Owner fails to acquire the Premises in accordance with Section 5;

(iii) Studio Owner fails to develop and finish out the Studio in accordance with Section 6 and the System Standards and fails to cure such default

within thirty days after written notice of such Event of Default is delivered to Studio Owner;

(iv) Studio Owner fails to begin operating the Studio as of the opening deadline required in Section 6(e), and fails to cure such default within thirty days after written notice of such Event of Default is delivered to Studio Owner;

(v) Studio Owner fails to maintain at all times during the operation of the Studio an Operator that has completed initial training, and fails to cure such default within thirty days after written notice of such Event of Default is delivered to Studio Owner;

(vi) Studio Owner fails actively to operate the Studio for the days and times set forth in the Brand Guidelines and the Studio Operations Manual unless the Studio has been closed for a purpose J.Hilburn has approved or because of a Force Majeure Event (as defined in Section 22(d));

(vii) Studio Owner fails to cure any default relating to a threat to public health and safety from the construction or operation of the Studio within five days after written notice of such default;

(viii) Studio Owner surrenders or Transfers control of the operation of the Studio without J.Hilburn's prior written consent;

(ix) Studio Owner (or any of its Principals) is or has been held liable or convicted by a court of law, pleads or has pleaded no contest to, a felony, indictable offense or other unlawful act, engages in any dishonest or unethical conduct or otherwise engages in any act or conduct which J.Hilburn believes will materially and adversely affect the reputation of the System, the Studio, and/or other J.Hilburn Studios or the goodwill associated with Marks;

(x) Studio Owner's misuse or unauthorized use of the Marks;

(xi) Studio Owner, by act or omission, materially and unfavorably impairs the value of, or the goodwill associated with the System or the Marks, including without limitation, any damage or disparagement of J.Hilburn, its Affiliates, or any Representatives or its brand or reputation;

(xii) Studio Owner (or any of its Principals) attempts an unauthorized Transfer;

(xiii) Studio Owner (or any of its Principals or Operator) makes any unauthorized use or disclosure of any Confidential Information or uses, duplicates or discloses any portion of the Brand Guidelines and the Studio Operations Manual in violation of this Agreement;

(xiv) Studio Owner, or any of its Principals fails to comply with or perform its covenants, representations and warranties in this Agreement, including, without limitation, the representations, warranties and covenants set forth in Section 14 the representations and warranties with respect to anti-corruption, anti-boycott and anti-terrorism laws set forth in Section 23 and the restrictive covenants against competition set forth in Section 15;

(xv) Studio Owner fails to pay any fees or other amounts due hereunder to J.Hilburn within thirty days after written notice of nonpayment is delivered to Studio Owner;

(xvi) J.Hilburn has delivered written notice of termination of another franchise agreement with Studio Owner in accordance with its terms and conditions, or Studio Owner has terminated the Franchise Agreement without cause;

(xvii) The Lease is cancelled or terminated or Studio Owner fails to materially perform or observe any provision of the Lease and to cure such failure within the applicable cure period, if any, under such Lease; and/or

(xviii) Studio Owner fails to pay when due any income, withholding, service, sales or any other applicable taxes due on the Studio Owner's operations, unless it is in good faith contesting its liability for such taxes and has effectively stayed the enforcement of liability for such taxes.

Without limiting the foregoing, J.Hilburn may terminate this Agreement for failure by Studio Owner (or any of its Principals) to comply with any other material provision of this Agreement, including, without limitation, the representations and warranties contained in this Agreement, or any System Standards material to the operation of the Studio within thirty days after written notice of such Event of Default is delivered to Studio Owner.

(d) Cross-Default. Any default by Studio Owner under the terms and conditions of any Related Agreements between J.Hilburn and/or its Affiliates and Studio Owner and/or its Affiliates shall be deemed to be a default of this Agreement. In the event of the termination of this Agreement or any Related Agreements for any cause, J.Hilburn and its Affiliates may, at their option and as determined in their sole discretion, terminate any or all of such other agreements.

(e) Notice Required by Law. Notwithstanding anything to the contrary contained in this Section 19, in the event any Applicable Law, including any state franchise law, having jurisdiction over this Agreement shall limit J.Hilburn's rights of termination or shall require longer notice periods or restrictions upon termination required by such laws and regulations, such Applicable Laws shall apply. J.Hilburn shall not, however, be precluded from contesting the validity, enforceability or application of such Applicable Laws in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

(f) No Exclusive Remedy. In the event of a default of this Agreement by Studio Owner or its Principals, Studio Owner agrees that termination of this Agreement is not the sole or exclusive remedy of J.Hilburn. In the event of such termination, J.Hilburn also may take the following actions: (i) hold Studio Owner and its Principals liable for and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to J.Hilburn from Studio Owner and/or its Principals pursuant to this Agreement and the Related Agreements; (ii) recover from Studio Owner and its Principals lost revenues, profits, and fees, and all other fees, revenues and/or expenses that would have been paid to J.Hilburn under the terms of this Agreement had a breach not occurred and J.Hilburn not terminated under this Agreement; and/or (iii) enjoin, restrain, and otherwise prohibit Studio Owner and its Principals from operating the Studio or exercising any right granted to Studio Owner under this Agreement pursuant to a court order, restraining order, injunction or other means. These actions may be taken in conjunction with one another and the rights and remedies provided in this Agreement shall not be exclusive of any other rights or remedies, whether by contract, at law or in equity. The rights and remedies provided in this Agreement are cumulative and are in addition to any and all other rights and remedies provided by law or in equity. The exercise of one right or remedy by any J.Hilburn shall not preclude or constitute a waiver of in equity or its right to exercise any and all other rights or remedies to which it is entitled.

20. Obligations Upon Termination or Expiration.

(a) Obligations upon Termination or Expiration. Upon termination or expiration of this Agreement for any reason, all rights of Studio Owner under this Agreement will immediately terminate, and Studio Owner will have the duties set forth in this Section 20, which will survive termination of this Agreement.

(b) Payment of Amounts Owed. Studio Owner will pay to J.Hilburn and its Affiliates within thirty days after the effective date of expiration or earlier termination of this Agreement or such later date that the amounts are determined, all sums due under this Agreement and all Related Agreements, including, without limitation, all interest, damages, costs, expenses and reasonable attorneys' fees incurred by J.Hilburn by reason of default by Studio Owner, whether or not the expenses occur before or after the termination or expiration of this Agreement.

(c) General Operations. Studio Owner immediately will stop operating the Studio, and shall not hold itself out as a current franchisee of J.Hilburn.

(d) Confidential Information and Intellectual Property. Studio Owner shall immediately stop all use of the Confidential Information and the Intellectual Property and return the Confidential Information to J.Hilburn, including the Brand Guidelines and the Studio Operations Manual, and all materials containing any Intellectual Property to J.Hilburn, and shall retain no copy or record of any of the foregoing, except Studio Owner's copy of this Agreement and any other documents which Studio Owner and its Principals reasonably need for compliance with any provision of Applicable Law.

(e) J.Hilburn's Software. Studio Owner must remove any proprietary computer software specified by J.Hilburn from any computer hardware Studio Owner retains. Studio Owner must provide evidence to J.Hilburn that Studio Owner has destroyed all back up and other copies of all of such software and returned to J.Hilburn any documentation provided to Studio Owner with respect to the use of such software. Studio Owner will not retain a copy or record of any of the items above listed.

(f) Marks. Studio Owner may not, directly or indirectly, at any time or in any manner use any Mark, including any use of Marks in a derogatory, negative, or other inappropriate manner in any media, including, but not limited to, print or electronic media; use any colorable imitation of a Mark in any manner or for any purpose; utilize for any purpose any trade name, trade or service mark or other commercial symbol or other indicia that indicates or suggests a connection or association with J.Hilburn or the Studio; identify any business as a former J.Hilburn Studio; or identify itself as one of J.Hilburn's franchisees (except with respect to other J.Hilburn Studios Studio Owner operates under continuing agreements with J.Hilburn).

(g) Disassociation in Communication Methods. Studio Owner will assign to J.Hilburn (or its designee) or cancel, at J.Hilburn's discretion, any electronic mail address, domain name, search engine, website or social media account and all related users and participants that are primarily associated with J.Hilburn, the Studio, System or the Marks.

(h) Assumed Name. Studio Owner shall take such action as is necessary to cancel any assumed name or equivalent registration which contains any of the Marks. Studio Owner and its Principals shall furnish J.Hilburn with evidence satisfactory to J.Hilburn of compliance within thirty days after termination or expiration of this Agreement. Studio Owner appoints J.Hilburn its true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete these cancellations. This power of attorney will survive the expiration or termination of this Agreement.

(i) Costs. Studio Owner and its Principals will pay to J.Hilburn all damages, costs, and expenses, including reasonable attorneys' fees, incurred by J.Hilburn in connection with obtaining any remedy available to J.Hilburn for any violation of this Agreement.

(j) Confidentiality and Non-Competition. Studio Owner and its Principals will comply with the covenants and the restrictions on the Confidential Information contained in this Agreement. Any other person required to execute similar covenants pursuant to Section 15 will also comply with those covenants.

(k) Purchase Option. J.Hilburn will have the option (but not the obligation), to be exercised within sixty days from the date of termination or expiration of this Agreement (unless appraisals are needed, in which case such option shall be exercised within sixty days after such appraisals are provided), to purchase from Studio Owner any or all of the furnishings, equipment, signs, fixtures, supplies and inventory of Studio Owner related to

the operation of the Studio, at Studio Owner's original cost (less an allowance for depreciation based upon the length of the life of the item and its length of use) or its fair market value, whichever is less. J.Hilburn will assume no liabilities whatsoever, unless otherwise agreed to in writing by the Parties. If the Parties cannot agree on the fair market value within thirty days after J.Hilburn's exercise of its option, fair market value will be determined by two appraisers, with each Party selecting one appraiser, and the average of their determinations will be binding. Each Party will bear its own legal and other costs and will split the appraisal fees equally. Within thirty days after J.Hilburn's receipt of such appraisal, or the Parties' agreement as to fair market value, or, as applicable, J.Hilburn shall have the right to rescind its exercise of such option. If J.Hilburn elects to exercise its option to purchase, it will have the right to set off all amounts due from Studio Owner to J.Hilburn or any of its Affiliates (including any costs for the appraisal) against any payment and will pay the remaining amount in cash. Studio Owner will deliver to J.Hilburn, in a form satisfactory to J.Hilburn, such warranties, deeds, releases of lien, bills of sale, assignments any other documents and instruments necessary in order to perfect J.Hilburn's title in and to the assets being purchased and to meet the requirements of all government authorities. Closing of such purchase will take place at J.Hilburn's corporate offices or at such other location as J.Hilburn may designate.

(l) Assignment of Lease. Studio Owner will, at J.Hilburn's option and written request, assign to J.Hilburn any interest that Studio Owner has in the Lease. J.Hilburn may exercise this option at any time within thirty days after either the date of termination or expiration of this Agreement.

(m) Modification of Premises. If J.Hilburn does not elect to exercise the options under Sections 20(k) or 20(l), then Studio Owner will make all alterations to the Studio's Premises that are necessary to distinguish the appearance of the Studio from that of other J.Hilburn Studios and will make any specific additional changes that J.Hilburn reasonably requests within thirty days from the date of termination or expiration of this Agreement. If Studio Owner fails or refuses to comply with the requirements of this Section 20, then J.Hilburn may enter upon the Premises, without being guilty of trespass or any other crime or tort, to make or cause to be made the changes required, at the expense of Studio Owner, which expense Studio Owner agrees to pay upon demand.

21. Dispute Resolution.

(a) Non-Binding Mediation. Except as otherwise set forth in this Agreement, the Parties will use their best efforts to resolve and settle by direct, private negotiation any dispute, claim or issue which arises under this Agreement or which concerns the relationship created by this Agreement. Both Parties may seek the advice and assistance of legal counsel in connection with any such negotiation. If the Parties cannot resolve and settle a dispute by private negotiation within ten days after one Party gives the other notice that a dispute exists, the Parties mutually agree to submit the dispute to non-binding mediation in Dallas, Texas, before a single mediator, using the Commercial Rules of the American Arbitration Association. The Parties will jointly select a mediator from the panel

of mediators maintained by the American Arbitration Association. The mediator must be a person experienced in franchising and who has no prior business or professional relationship with either Party. Mediation must be concluded within thirty days of the date the mediator is selected or such longer period as agreed to by the Parties. The Parties will share the mediation filing fee equally but will otherwise separately bear their own costs and expenses (including legal fees) of participating in the mediation process. Each Party agrees to send at least one representative to the mediation who has authority to enter into binding contracts on that Party's behalf. All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatever.

(b) Arbitration. If the Parties cannot fully resolve and settle a dispute through mediation, except as otherwise set forth in this Agreement, within thirty days after the mediation, the dispute will be submitted to binding arbitration. Either Party may make a demand for arbitration which will be conducted in Dallas, Texas, before a single arbitrator, using the Commercial Rules of the American Arbitration Association. The Parties will jointly select an arbitrator from the panel of arbitrators maintained by the American Arbitration Association. The arbitrator must be an attorney experienced in the practice of franchise law, who has no prior business or professional relationship with either Party and who agrees to follow and apply the express provisions of this Agreement in determining his or her award. The arbitrator's award will be final and binding on all Parties, and neither Party will have any right to contest or appeal the arbitrator's award except on the grounds expressly provided by the Commercial Rules of the American Arbitration Association. The Party who demands arbitration will pay the arbitration filing fee, but the Parties will otherwise separately bear their own costs and expenses (including legal fees) of participating in the arbitration process. Responsibility for the arbitrator's fees and expenses will be determined as part of the arbitrator's award.

(c) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Agreement and any and all controversies, disputes or claims arising out of this Agreement or the relationship between J.Hilburn and Studio Owner, any of their respective Affiliates or Principals (regardless of the form of the cause of action asserted) will be governed by and construed in accordance with the laws of the State of Texas, provided, however, that if the Designated Area is located in a state with a franchise statute that requires application of such state's law, this Agreement and any and all controversies, disputes or claims arising out of this Agreement or the relationship between the Parties will be governed by and construed in accordance with the laws of the state in which the Designated Area is located.

(d) Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the Parties will be barred unless a judicial or arbitration proceeding is commenced within two years from the date on which the Party asserting such claim knew or should have known of the facts giving rise to such claims.

(e) Limitation on Damages. Except with respect to: (i) Studio Owner's obligation to indemnify J.Hilburn and its Affiliates pursuant to Section 16; (ii) claims for Studio Owner's unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information in Sections 9 and 15; and lost profits incurred by J.Hilburn as a result of early termination of this Agreement under Section 20, J.HILBURN AND FRANCHISEE WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL AND CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN J.HILBURN AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY DIRECT OR GENERAL DAMAGES THE PARTY SUSTAINS.

(f) Rights of Parties Are Cumulative. J.Hilburn's and Studio Owner's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by Applicable Laws to enforce.

(g) Costs and Legal Fees. If J.Hilburn incurs expenses in connection with the Studio Owner's failure to pay when due any monies owed, to submit when due any reports, information, or supporting records to comply with this Agreement, Studio Owner will reimburse J.Hilburn for any of the costs and expenses which it reasonably incurs, including, without limitation, reasonable accounting, attorneys' and related fees to enforce such provisions of the Agreement.

(h) WAIVER OF JURY TRIAL. THE PARTIES HERETO IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN CONNECTION WITH ANY MATTER OR DISPUTE OF ANY KIND ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF J.HILBURN OR FRANCHISEE.

(i) Individual Capacity. In the event that an action is permitted, any legal action or arbitration commenced by either Party will be brought in an individual capacity and not on a class-wide basis. Franchisee waives its rights to initiate a claim on a "class" basis or include any other franchisee or Personal Stylist as a named party unless J.Hilburn agrees in writing.

(j) Injunctions and Emergency Relief. Notwithstanding the foregoing, nothing in this Section 21 shall prevent J.Hilburn from terminating this Agreement or from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other injunctive or emergency relief available to safeguard and protect J.Hilburn's interests prior to the filing of or during or following any mediation, arbitration or other legal proceeding or pending the handing down of a decision or award in connection with any other proceeding.

(k) Intellectual Property, Confidential Information and Security Interests. Notwithstanding anything in this Section 21, J.Hilburn will not be obligated to mediate or arbitrate any claim arising from Studio Owner's alleged infringement of the Intellectual Property or disclosure of Confidential Information or related to any action to foreclose on any security interest. The Parties agree that any action based on infringement of any of the Marks will be governed by and interpreted and enforced in accordance with the United States Trademark (Lanham) Act or the United States Copyright Act, as applicable, and will be litigated in any federal District Court sitting in Dallas County, Texas. Further, Studio Owner and J.Hilburn agree that the provisions of this Section 21 will not be applicable to the exercise of rights and remedies under any Related Agreements unless expressly provided in such Related Agreement.

22. Miscellaneous.

(a) Independent Contractors. The Parties agree that this Agreement does not create a fiduciary relationship between the Parties. In performing this Agreement, J.Hilburn and Studio Owner's relationship is and always will be solely that of independent contractors. Neither J.Hilburn nor Studio Owner will represent itself or permit any of its independent contractors, employees or representatives to represent itself as an employee, agent or joint venturer of the other. Studio Owner shall conspicuously identify itself as an independent franchisee of J.Hilburn in all dealings with the public and other third parties and will place such notices of independent ownership on such advertising and other materials as J.Hilburn may periodically require. Studio Owner must post a prominent sign in the Studio identifying Studio Owner as an independent J.Hilburn Studio Owner. Neither Party will have any right to and will not attempt to enter into contracts or commitments in the name of or on behalf of the other in any respect whatsoever.

(b) J.Hilburn's Actions. Whenever J.Hilburn has reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant Studio Owner a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement or prohibited by Applicable Laws, J.Hilburn may make its decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests, including its judgment of what is in the best interests of the J.Hilburn Studio franchise network, at the time J.Hilburn's decision is made, without regard to: (i) whether other reasonable or even arguably preferable alternative decisions or actions could have been made by J.Hilburn; (ii) whether J.Hilburn's decision or the action it takes promotes its financial or other individual interest; (iii) whether J.Hilburn's decision or the action it takes applies differently to Studio Owner and one or more other franchisees; or (iv) whether J.Hilburn's decision or the exercise of its rights is adverse to Studio Owner's individual interest or the individual interests of any other particular franchisees.

(c) Compliance with Laws. Studio Owner will comply, at its sole expense, with all Applicable Laws applicable to this Agreement and the operation of the Studio. Copies of all inspection reports, warnings and certificates issued by any governmental entity during the Term of this Agreement in connection with the conduct of the Studio which

indicate Studio Owner's failure to meet or maintain the highest governmental standards or less than full compliance by Studio Owner with any Applicable Laws, must be forwarded to J.Hilburn by Studio Owner immediately upon receipt.

(d) Force Majeure Event. Neither J.Hilburn nor any Affiliate, nor Studio Owner will be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform obligations results from acts of God (such as tornadoes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war (declared or undeclared), riot, terrorist act, cyber security incident or other civil disturbance; epidemics or pandemics, including COVID-19; acts of governments, such as the exercise of eminent domain rights and condemnation (if caused by reasons beyond a Party's control); or other forces, that materially and adversely affect the ability of a Party hereto to perform, provided that in all events they are not within the reasonable control of the Party affected thereby (a "**Force Majeure Event**"). Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed. Studio Owner or J.Hilburn will, within five days of the occurrence of the Force Majeure Event, give a written notice to the other Party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required. In no event will Studio Owner's inability to pay amounts due under this Agreement constitute a Force Majeure Event, and no Force Majeure Event will operate to excuse Studio Owner from the prompt payment of any fee or payment due to J.Hilburn pursuant to this Agreement.

(e) Further Assurances. J.Hilburn and Studio Owner will execute and deliver any and all additional papers, documents and other assurances and will do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the Parties hereto.

(f) Judgment; Discretion. Studio Owner and J.Hilburn agree that this Agreement specifies matters that are within the sole discretion or judgment of J.Hilburn. If the exercise of J.Hilburn's sole discretion or judgment as to any such matter is challenged, the Parties expressly direct the trier of fact that J.Hilburn's reliance on a business reason in the exercise of its sole discretion or judgment is to be viewed as a reasonable and proper exercise of its sole discretion or judgment, without regard to whether (i) other reasons for its decision may exist, and (ii) the trier of fact would independently accord the same weight to the business reasons.

(g) Approvals. If the approval, consent or agreement of a Party is required in this Agreement, the request for such approval shall be in writing, shall be accompanied by reasonable detail if the circumstances require and shall refer to the Section pursuant to which such approval is requested.

(h) No Waiver. Either Party's failure to exercise any right or remedy or to enforce any obligation or covenant in this Agreement will not constitute a waiver by, or

estoppel of, such Party's right to enforce strict compliance with any such obligation, covenant or agreement. Either Party's waiver of, or failure or inability to enforce, any right or remedy will not impair such Party's rights or remedies with respect to subsequent default of the same, similar or different nature. Acceptance of any payment will not waive any default.

(i) Notice. All notices, requests and claims required or desired to be given under this Agreement will be in writing and will be served in person; by express mail; by certified mail; by personal delivery by overnight delivery; or by electronic mail. Such notices, requests, and claims will be deemed conclusively given: (i) at the time of delivery, if personally delivered; (ii) upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if delivered by certified mail; (iii) upon receipt, if delivered overnight delivery; or (iv) at the time of the electronic transmission if by electronic mail. All notices, requests and claims will be given to the intended Party at the location below, however, either Party may change its location for the purpose of receiving notices, requests and claims by giving written notice to the other Party in the above manner:

Franchisor: J.Hilburn Franchise, Inc.
883 Trinity Drive
Lewisville, Texas 75056
Attention: Franchise Team
Phone: 866-789-5391
Email: franchise@jhilburn.com

Franchisee: _____

Attention: _____
Phone: _____
Email: _____

(j) Severability. If any provision of this Agreement for any reason and to any extent, is held to be invalid, illegal or unenforceable under Applicable Laws, it will be fully severable and the remaining provisions of this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision was never part of this Agreement. The remaining provisions of this Agreement shall remain in full force and effect. J.Hilburn has the right, at J.Hilburn's sole option, to modify such invalid or unenforceable provision. If any Applicable Law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required under this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard and/or other action required by Applicable Law will be substituted for the comparable provisions. If any provision of this Agreement or any specification, standard or operating procedure prescribed by J.Hilburn is invalid or

unenforceable under Applicable Laws, it shall be automatically revised to the extent required to make it valid and enforceable.

(k) Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed will be an original, but all of which together will constitute one and the same Agreement.

(l) Entire Agreement. This Agreement, the Related Agreements, the Brand Guidelines and the Studio Operations Manual and the related exhibits and attachments constitute the entire agreement between J.Hilburn, Studio Owner and its Principals and supersede any and all prior or negotiations, representations and agreements. Nothing in this Agreement or any Related Agreements is intended to disclaim the representations J.Hilburn made in the Franchise Disclosure Document that J.Hilburn furnished to Studio Owner. Studio Owner acknowledges that Studio Owner is entering into this Agreement as a result of its own independent investigation of the franchised business and not as a result of any representations about J.Hilburn made by J.Hilburn, its Affiliates or Representatives, or franchisees that are contrary to the terms set forth in this Agreement, or in the Franchise Disclosure Document or other similar document required or permitted to be given to Studio Owner pursuant to Applicable Law. There are no other oral or written understandings or agreements between J.Hilburn and Studio Owner relating to the subject matter of this Agreement.

(m) Amendments. Except those permitted to be made unilaterally by J.Hilburn in this Agreement, any amendments or modifications of this Agreement will be in writing and executed by J.Hilburn and Studio Owner.

(n) Survival. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

23. Acknowledgments

(a) Receipt of Disclosure Document. Studio Owner and its Principals acknowledge that they received the Franchise Disclosure Document required by the Federal Trade Commission, and a complete copy of this Agreement and all related attachments and agreements, at least 14 calendar days before this Agreement was executed, or Studio Owner made a payment to J.Hilburn or an Affiliate in connection with the proposed franchise sale.

(b) Commercial Relationship. Studio Owner and its Principals agree that this Agreement creates an arm's length commercial relationship that cannot and will not be transformed into a fiduciary or other "special" relationship by course of dealing, by any special indulgences or benefits that J.Hilburn grants on Studio Owner, or by inference from a Party's conduct.

(c) Certain Profits, Consideration and Charges. Studio Owner acknowledges that J.Hilburn may (i) receive a profit from goods, products and/or services made available to Studio Owner; and (ii) receive consideration from suppliers and/or manufacturers related to the sale of goods, products and/or services to Studio Owner, the promotion of goods, products and/or services by the System, for services provided or rights licensed to such persons.

(d) Compliance with Anti-Corruption and Anti-Money Laundering Laws and Anti-Terrorism Laws. Studio Owner and each Principal represent and warrant to J.Hilburn that (i) neither Studio Owner nor, to the best of its knowledge, any of Studio Owner's Principals nor any officer of Studio Owner, is identified, either by name or an alias, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control; (ii) neither Studio Owner or any officer of its, nor any Principal is directly or indirectly owned or controlled by, or acts or will act directly or indirectly on behalf of, the government of any country that is subject to an United States embargo or sanction; and (iii) neither Studio Owner nor any officer of its nor any Principal has violated, and will not violate, any Applicable Laws prohibiting money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224 or any similar Applicable Law. These are continuing representations and warranties, and Studio Owner will immediately notify J.Hilburn in writing of any event or circumstance that might cause any of these representations and warranties to be incorrect or misleading, or is a breach of any of these covenants.

(e) No Claims. Studio Owner and its Principals represent, covenant and warrant to J.Hilburn that, to the best of their knowledge, they do not hold any claims, debts, liabilities, demands, obligations, expenses, actions or causes of action of any nature, character or description related to this Agreement against J.Hilburn, its Affiliates or any J.Hilburn Representatives, in their corporate or individual capacities.

(f) No Waiver. No statement, questionnaire, or acknowledgment signed or agreed to by Studio Owner in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, or (ii) disclaiming reliance on any statement made by any J.Hilburn, its Affiliates, its Representative, any franchise seller, or other person acting on behalf of J.Hilburn.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above.

FRANCHISOR:

FRANCHISEE:

J.HILBURN FRANCHISE, INC.,
a Delaware corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

OWNERSHIP INTERESTS AND PRINCIPALS

The following is a list of stockholders, partners, members or other owners in Studio Owner who own or hold a direct or indirect Ownership Interest in Studio Owner and a description of the nature of their interest. All such individuals and entities will be deemed to be “*Studio Owner’s Principals*” described in and designated pursuant to the Franchise Agreement, each of whom will execute the Guaranty.

Name	Percentage of Ownership/Nature of Interest

EXHIBIT B

**STUDIO LOCATION, DESIGNATED AREA, TERM, OTHER STUDIO OWNERS
AND PERSONAL STYLISTS**

A. Studio Location. The following location has been selected by Studio Owner and approved by J.Hilburn as Premises for the Studio in accordance with Section 5 of the Franchise Agreement:

B. Designated Area. The following area has been designated by J.Hilburn and accepted by Studio Owner as the Designated Area in accordance with Section 2(b) of the Franchise Agreement:

C. Initial Lease Term. _____.

D. Other Studio Owners operating at or through the Studio.

E. Personal Stylists operating at or through the Studio.

_____	_____
_____	_____
_____	_____
_____	_____

The Parties have executed this Exhibit B on _____, 202__.

J.HILBURN FRANCHISE, INC.

STUDIO OWNER

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT C

RELEASE

THIS RELEASE (“Release”) is entered into this ____ day of _____, 20____, by _____ (“**Studio Owner**”), and the undersigned Studio Owner’s Principals.

RECITALS

A. **J.Hilburn Franchise, Inc. (“J.Hilburn”)** and Studio Owner entered into a Franchise Agreement dated _____ (“**Franchise Agreement**”), for the establishment of a J.Hilburn _____ Studio _____ located _____ at _____;

B. Studio Owner’s Principals are its equity owners as defined in the Franchise Agreement and have, among other things, agreed to be bound by certain of the obligations contained in the Franchise Agreement; and

C. **[Option 1: For Renewal]** Studio Owner desires to renew the term of the Franchise Agreement, and the Franchise Agreement provides that, as a condition to such renewal, Studio Owner and Studio Owner’s Principals will, among other things, execute a general release as contained herein.

[Option 2: For Transfer] The Franchise Agreement provides that, as a condition to J.Hilburn’s approval of a Transfer, Studio Owner and Studio Owner’s Principals will execute a release of certain claims.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, Studio Owner and Studio Owner’s Principals agree as follows:

AGREEMENT

1. Release.

(a) Studio Owner, and each of Studio Owner’s Principals, individually and collectively, jointly and severally, do hereby release and forever discharge J.Hilburn and its Affiliates, and each of their respective successors, shareholders, partners, members, managers, directors, officers, employees, agents and independent contractors, in their corporate and individual capacities (“**J.Hilburn Representatives**”), 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, direct or indirect, foreseen or unforeseen, whether in contract or tort, which Studio Owner and/or Studio Owner’s Principals now hold, or have at any time heretofore held, or may at any time hold against J.Hilburn, its Affiliates or any of its respective J.Hilburn Representatives, arising under or in connection with any agreement, law, rule, regulation, including, without limitation, the Franchise Agreement, any Related Agreements or the operation of a J.Hilburn Studio, and any state or federal franchise or business opportunity

law; provided, however, that this Release will not terminate any agreement currently effective by and among Studio Owner or any of Studio Owner's Principals and J.Hilburn.

(b) Studio Owner and Studio Owner's Principals acknowledge there is a risk that, after the date of this Release, they will discover or incur claims which are unknown or unanticipated at the time of execution of this Release and which, if known by them on the date of this Release, may have materially affected their decision to execute this Release. Nevertheless, Studio Owner and each of its Principals agree that they intend to assume, and are assuming, the risk of such unknown or unanticipated claims, and that their release of J.Hilburn, its Affiliates and the J.Hilburn Representatives set forth in this Release shall apply to any and all such claims. Neither Studio Owner nor any Principal has assigned, transferred or purported to assign or transfer to any other person or Entity any of the claims or any portion thereof or interest therein and agrees to indemnify, defend and hold J.Hilburn, its Affiliates and the J.Hilburn Representatives harmless from and against any and all claims based on or arising out of any such assignment or transfer or purported assignment or transfer.

(c) Studio Owner and each of its Principals represent and warrant that they intend to be legally bound by this Release, that the execution of this Release is free and voluntary, that no inducements, threats or influences of any kind were made or exerted by or on behalf of J.Hilburn, its Affiliates or the J.Hilburn Representatives, and that, prior to the execution hereof, they were given the opportunity, if desired, to consult with counsel.

[INSERT THE FOLLOWING FOR CALIFORNIA STUDIO OWNERS:

It is the express intention that this Release be as broad as permitted by law, except that this Release excludes such claims as Studio Owner may have arising under the California Franchise Investment Law or the California Franchise Relations Act.

The parties intend this Section 1 to cover, encompass, release and extinguish all claims and matters that might otherwise be reserved by California Civil Code Section 1542, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or the released party.”]

[INSERT THE FOLLOWING FOR WASHINGTON STUDIO OWNERS:

“The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW19.100 and the rules adopted thereunder.”]

2. **Authority.** By executing this Release, each party represents that it has the right and authority to enter into and to accept the terms and covenants of this Release, and that no third party has or claims an interest in any claim released by this Release.

3. **No Conflicts.** Each of the undersigned represents that its execution of this Release does not violate any other agreement to which it is a party.

4. **Miscellaneous.**

4.1 **Counterparts.** This Release may be executed simultaneously in two or more counterparts, each of which will be deemed an original and all of which together will constitute but one and the same instrument.

4.2 **Opportunity to Review.** Studio Owner and its Principals represent and warrant that they (i) have had an opportunity to review this Release, (ii) have had an opportunity to consult with an attorney, and (iii) fully understand the content and legal effect of this Release.

4.3 **Governing Law.** This Release will be governed by the laws of the State of Texas, which laws will be controlling in the event of any conflict of law.

4.4 **Section Headings.** The Section headings of this Release are for the convenience of the parties only and will have no force or effect.

4.5 **Severability.** The provisions of this Release are severable, and, in the event that any provision is held void and unenforceable as a matter of law, the remaining provisions will continue in full force and effect.

4.6 **Defined Terms.** All terms not expressly defined in this Release will have the meaning given to such term in the Franchise Agreement.

IN WITNESS WHEREOF, Studio Owner and Studio Owner's Principals have executed and delivered this Release.

STUDIO OWNER:

By: _____
Name: _____
Title: _____

STUDIO OWNER'S PRINCIPALS:

Name: _____
Date: _____

Name: _____
Date: _____

Name: _____
Date: _____

Name: _____
Date: _____

Name: _____
Date: _____

Name: _____
Date: _____

EXHIBIT D
COMPENSATION PLANS

Franchise Stylist Studio Compensation Plans

J.Hilburn Inc. - Notice

The information in this document contains proprietary and confidential information of J.Hilburn Inc. and is intended only for the use by J.Hilburn Inc. Stylists and employees and J.Hilburn Franchise Studio Owners, and Stylists who have been granted access to such information by J.Hilburn Inc. Any distribution, copying, duplication, or disclosure of this document or any information contained therein is strictly prohibited. If you are not the intended recipient of this document, please notify StylistSuccess@jhilburn.com

Franchise Stylist Studio Compensation Plans

- A. Stylist Studio – Single Franchise Studio Owner with Studio Sellers
- B. Stylist Studio – Co-Studio Owners with no Studio Sellers
- C. Stylist Studio – Single Studio Owner with no Studio Sellers

Stylist Studio – Single Franchise Studio Owner with Studio Sellers

Studio Leader

How to Achieve Title

- An approved Franchise Studio Owner
- 12-month Total Studio Volume \$0 – \$249,999
- \$3,000 Personal Sales Volume
- Maintain Standards and Expectations of a Studio Owner outlined in the Franchise Studio Agreement

How to Receive Pay

Start receiving Studio Owner Compensation at the first month titled as a Franchise Studio Owner

How to Maintain Title

- 12-month Studio Volume <\$250,000
- Maintain Standards and Expectations of a Studio Owner outlined in the Franchise Studio Agreement

Personal Monthly Commission: 32% PV-C on all Personal Sales Volume

Studio Owners are eligible for the Rent Reimbursement Bonus*

Monthly Studio Volume	Bonus %
\$0 – \$20,799	4%

Studio Director

How to Achieve Title

- An approved Franchise Studio Owner
- Rolling 12-month Studio Volume \$250,000 – \$499,999
- \$3,000 Personal Sales Volume
- Maintain Standards and Expectations of a Franchise Studio Owner outlined in the Franchise Studio Agreement

How to Receive Pay

- Start receiving Franchise Studio Owner Compensation at the first month titled as a Franchise Studio Owner

How to Maintain Title

- 12-month Studio Volume \$250,000 – \$499,999
- Maintain Standards and Expectations including Performance Expectations
- Must be Paid As Studio Director at least once within 12 consecutive monthly Qualification Periods

Personal Monthly Commission: 32% PV-C on all Personal Sales Volume

Studio Owners are eligible for the Rent Reimbursement Bonus*

Monthly Studio Volume	Bonus %
\$0 – \$20,799	4%
\$20,800 – \$41,599	6%

Studio Managing Director

How to Achieve Title

- An approved Franchise Studio Owner
- Rolling 12-month Studio Volume \$500,000 – \$749,999
- \$3,000 Personal Sales Volume
- Maintain Standards and Expectations of a Franchise Studio Owner outlined in the Franchise Studio Agreement

How to Receive Pay

- Start receiving Studio Owner Compensation at the first month titled as a Franchise Studio Owner

How to Maintain Title

- 12-month Studio Volume \$500,000 – \$749,999
- Maintain Standards and Expectations including Performance Expectations
- Must be Paid As Studio Managing Director at least once within 12 consecutive monthly Qualification Periods

Personal Monthly Commission: 32% PV-C on all Personal Sales Volume

Studio Owners are eligible for the Rent Reimbursement Bonus*

Monthly Studio Volume	Bonus %
\$0 – \$20,799	4%
\$20,800 – \$41,599	6%
\$41,600 – \$83,999	8%

Studio Executive Director

How to Achieve Title

An approved Franchise Studio Owner

Rolling 12-month Studio Volume \$750,000+

\$3,000 Personal Sales Volume

Maintain Standards and Expectations of a Franchise Studio Owner outlined in the Franchise Studio Agreement

How to Receive Pay

Start receiving Franchise Studio Owner Compensation at the first month titled as a Studio Owner

How to Maintain Title

12-month Studio Volume \$750,000+

Maintain Standards and Expectations including Performance Expectations

Must be Paid As Studio Executive Director at least once within 12 consecutive monthly Qualification Periods

Personal Monthly Commission: 32% PV-C on all Personal Sales Volume

*Studio Owners are eligible for the Rent Reimbursement Bonus**

Monthly Studio Volume	Bonus %
\$0 – \$20,799	4%
\$20,800 – \$41,599	6%
\$41,600 – \$83,999	8%
\$84,000+	10%

Studio Seller

Studio Seller Personal Sales Earnings*

Earn 15% – 25% PV-C

PV-Q	Rate
\$0 – \$499	15%
\$500 – \$2,499	20%
\$2,500+	25%

New Studio Sellers earn 20%–25% on all Personal Sales Volume during their first six (6) months*

Stylist Studio – Co-Studio Owners with no Studio Sellers

Stylist Studio – Co-Studio Owners with no Studio Sellers

Personal Monthly Commission: Each Franchise Studio Owner earns 32% PV-C

Trailing Twelve-Month Personal Sales Bonus (Monthly): Each Franchise Studio Owner can earn a Trailing Twelve-Month Personal Sales Bonus each month based on their individual volume corresponding to the respective PV Tier.

Studio Owners are eligible for the Rent Reimbursement Bonus*

PV Tier	Payout / Month
\$0 – \$50,000	\$0
\$50,001 – \$100,000	\$200
\$100,001 – \$150,000	\$300
\$150,001 – \$200,000	\$500
\$200,001 – \$250,000	\$800
\$250,001 – \$300,000	\$1,200
\$300,001 – \$350,000	\$1,500
\$350,001 – \$400,000	\$1,700
\$400,001 – \$450,000	\$1,900
\$450,001 – \$500,000	\$2,100
\$500,001 – \$600,000	\$2,300
\$600,001 – \$700,000	\$2,500
\$700,001 – \$800,000	\$2,700
\$800,001 – \$900,000	\$2,900
\$900,001 – \$1,000,000	\$3,100
\$1,000,001 – \$1,100,000	\$3,300
\$1,100,001 – \$1,200,000	\$3,500
\$1,200,001+	\$3,700

Stylist Studio – Single Studio Owner with no Studio Sellers

Stylist Studio – Single Studio Owner with no Studio Sellers

Personal Monthly Commission: Franchise Studio Owner earns 34% PV-C

Trailing Twelve-Month Personal Sales Bonus (Monthly): Franchise Studio Owner can earn a Trailing Twelve-Month Personal Sales Bonus each month based on their individual volume corresponding to the respective PV Tier.

Studio Owners are eligible for the Rent Reimbursement Bonus*

PV Tier	Payout / Month
\$0 – \$50,000	\$0
\$50,001 – \$100,000	\$200
\$100,001 – \$150,000	\$300
\$150,001 – \$200,000	\$500
\$200,001 – \$250,000	\$800
\$250,001 – \$300,000	\$1,200
\$300,001 – \$350,000	\$1,500
\$350,001 – \$400,000	\$1,700
\$400,001 – \$450,000	\$1,900
\$450,001 – \$500,000	\$2,100
\$500,001 – \$600,000	\$2,300
\$600,001 – \$700,000	\$2,500
\$700,001 – \$800,000	\$2,700
\$800,001 – \$900,000	\$2,900
\$900,001 – \$1,000,000	\$3,100
\$1,000,001 – \$1,100,000	\$3,300
\$1,100,001 – \$1,200,000	\$3,500
\$1,200,001+	\$3,700

Franchise Studio Owner Rent Reimbursement

This Incentive is eligible for 3 years for Qualifying Franchise Studio Owners

Stylist Studio – Single Franchise Studio Owner with Studio Sellers

Eligible for rent reimbursement with year-over-year growth. For every \$100k in incremental PV-Q growth, a Studio Owner earns 3 months of rent, up to 12 months in the year. The Studio Owner must have a minimum of \$300,000 in volume to qualify.

Stylist Studio – Single Franchise Studio Owner with no Studio Sellers

Eligible for rent reimbursement with year-over-year growth. For every \$100k in incremental PV-Q growth, a Studio Owner earns 3 months of rent, up to 12 months in the year. The Studio Owner must have a minimum of \$300,000 in volume to qualify.

Stylist Studio – Co-Studio Franchise Owners with no Studio Sellers

Each Co-Owner is eligible for rent reimbursement for their portion of the rent that they pay. Each Co-Owner Franchisee can earn with year-over-year growth. For every \$100k in incremental PV-Q growth, the respective Studio Owner earns their portion of the 3 months of rent, up to 12 months in the year. The respective Co-Studio Owner must have a minimum of \$300,000 in volume to qualify.

EXHIBIT E

LEASE TERMS

Any Lease executed by a franchisee Studio Owner in connection with a J.Hilburn Studio must contain the following terms:

1. During the term of the Franchise Agreement and the Lease, the J.Hilburn Studio will be used only for the operation of the J.Hilburn Studio using the System (as defined below).

2. Landlord consents to Studio Owner's use of the proprietary marks (the "**Marks**") and signs, decor items, color schemes, plans and specifications of a J.Hilburn Studio (the "**System**") as J.Hilburn Inc. ("**J.Hilburn**") may prescribe for the J.Hilburn Studio. Landlord agrees not to unreasonably withhold, delay or condition approval of any future changes to the J.Hilburn Studio location (the "**Premises**") required by Studio Owner to conform to changes in the System and the Marks.

3. Landlord agrees to send J.Hilburn at the same time and to the following address: J.Hilburn Franchise, Inc., 883 Trinity Drive, Lewisville, Texas 75056, Attn: Mr. Simone Pizzuti, or as may otherwise be designated from time to time, copies of all correspondence sent to Studio Owner pertaining to the Lease and Premises.

4. In the event of Studio Owner's default under the terms of the Lease, J.Hilburn may, but is not required, to cure the default. Within thirty days after J.Hilburn receives notice of the default, J.Hilburn will have the option, in its sole discretion, to cure the default. If J.Hilburn elects to cure the default, J.Hilburn will notify Landlord of its intent and will cure the default within thirty days of such election. If the default cannot be reasonably cured within the thirty-day period, J.Hilburn will commence and diligently proceed to cure the default within such time as is reasonably possible. Landlord will provide J.Hilburn an estoppel certificate confirming that no additional defaults exist and no acts or omissions have occurred which, with the passage of time, would result in default.

5. J.Hilburn has the right, and Landlord consents to allow J.Hilburn and its representatives to enter the Premises to make any modification necessary to protect the System and Marks (including, without limitation, to de-identify the Premises as a J.Hilburn Studio following expiration or termination of the Franchise Agreement) or to cure any default under the Franchise Agreement or under the Lease, without civil or criminal liability for such entry, or subject J.Hilburn or its representatives to criminal prosecution, Landlord will not be responsible for any expenses or damages arising from any such actions by J.Hilburn.

6. J.Hilburn has the option but not the obligation to acquire the J.Hilburn Studio from Studio Owner if the Franchise Agreement expires or terminates or upon termination of the Lease by Landlord upon a default by Tenant provided J.Hilburn cures the default. If J.Hilburn exercises the option, it will notify the Landlord when it notifies Studio Owner of its decision to exercise the option. Such notice will be sent to Landlord at the address for notices in the Lease no later than thirty days after the option becomes exercisable. If J.Hilburn exercises its option, or makes a different arrangement with Studio Owner to acquire the J.Hilburn Studio, then Landlord will

permit Studio Owner to assign the Lease to J.Hilburn or its designee (“**New Tenant**”). The New Tenant will assume Studio Owner’s obligations under the Lease. Landlord will not impose any modification of the Lease terms upon the New Tenant. The New Tenant will assume Studio Owner’s occupancy rights, rights under any renewal or purchase options, and the right to sublease the Premises for the Lease term, including any applicable renewal periods. Any prior payments toward such rights or options made by or for Studio Owner will be credited to the New Tenant’s account. Landlord consents to such assignment to the New Tenant in advance and agrees not to impose any assignment fee, increase the rent, cease any rent abatement, reduction or rebate granted to Studio Owner, or demand repayment of improvement costs or advances under the Lease or require the New Tenant to pay any rent or other financial obligation of Studio Owner to Landlord arising prior to the assignment. Landlord agrees to look solely to the Studio Owner and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Studio Owner agree that neither J.Hilburn nor the New Tenant is a party to the Lease and neither will have any liability under the Lease, unless and until the Lease is assigned to, and assumed by J.Hilburn or the New Tenant, as applicable.

7. Notwithstanding anything contained in the Lease, Studio Owner is expressly authorized, without the consent of Landlord, to sublet the Premises to an authorized System Studio Owner approved by J.Hilburn, provided such subletting is specifically subject to the terms of the Lease, and the Studio Owner expressly assumes in writing all obligations of the Lease. J.Hilburn agrees to notify Landlord as to the name of the Studio Owner within ten days after such subletting.

8. Studio Owner will not assign the Lease or renew or extend the term thereof without the prior written consent of J.Hilburn.

9. Landlord and Studio Owner will not amend or otherwise modify the Lease in any manner that could materially affect any of J.Hilburn’s Lease requirements without the prior written consent of J.Hilburn.

10. Landlord agrees that any landlord’s lien or security interest arising under or from the Lease will not apply to any Brand Guidelines and the Studio Operations Manual, software, scripts, videos or other tangible or intangible personal property of Studio Owner furnished by J.Hilburn or any supplier to Studio Owner under a use restriction, obligation of confidentiality or under license, and to any signage, printed materials, merchandise or other tangible media, goods, inventory and supplies bearing the Marks. At termination of the Lease, J.Hilburn will arrange for removal of such items as provided in the Franchise Agreement, if any.

11. Notwithstanding any term, condition or covenant of the Lease to the contrary, Landlord agrees that during the term of the Lease, Landlord will not enter into a lease, rental arrangement, license or other agreement for space within the Landlord’s property where the Premises are located to another business that sells the same or similar products as the J.Hilburn Studio.

12. Under the Franchise Agreement, any lease for the Premises of a J.Hilburn Studio is subject to J.Hilburn’s approval. Accordingly, the Lease is contingent upon such approval.

13. Landlord and Studio Owner agree that the terms of this Addendum shall supersede any terms to the contrary set forth in the Lease, and this Addendum will be assigned with any assignment of the Lease.

EXHIBIT F

TIME FRAMES

- | | |
|---|--|
| 1. Time Frame to Submit Lease to J.Hilburn | Thirty days from the Effective Date of the Franchise Agreement |
| 2. Fully-Executed Lease Provided to J.Hilburn | Five days after J.Hilburn's approval of the Lease and within forty days of the Effective Date of the Franchise Agreement. (J. Hilburn has the right to terminate the Franchise Agreement if not provided within this time frame) |
| 3. Commencement of Construction/Renovation of the Studio | Thirty days after the Lease is executed |
| 4. Completion of Construction/Renovation of the Studio | Ninety days after the Lease is executed |
| 5. J.Hilburn Inspection and Approval to Open Studio to the Public | Ten days after the completion of construction |
| 6. Studio Opens to the Public | No later than one hundred eighty days after the Effective Date of the Franchise Agreement |

EXHIBIT G

GUARANTY

This Guaranty (“Guaranty”) is made and entered into _____, 20____, in accordance with the terms and conditions of that certain franchise agreement dated __, 20____ (“**Franchise Agreement**”), by and between J.Hilburn Franchise, Inc., a Delaware corporation (“**J.Hilburn**”), _____ (“**Studio Owner**”) and, undersigned Guarantors (individually, a “**Guarantor**” and collectively, “**Guarantors**”). Capitalized terms not defined in this Guaranty have the meanings given in the Franchise Agreement.

Agreement

In consideration of the commitments of Studio Owner set forth in the Franchise Agreement and the Related Agreements, each of the undersigned Guarantors agree as follows:

1. Each Guarantor is included in the definition “**Studio Owner’s Principals**” as defined in the Franchise Agreement and without limiting any guarantee of Studio Owner’s obligations under the Franchise Agreement, makes all covenants, representations, warranties and agreements of Principals set forth in the Franchise Agreement and is obligated to individually perform for so long as he or she qualifies as a Principal and thereafter to the extent expressly provided by the terms of the Franchise Agreement, including, without limitation, the representations, and agreements described in the following sections of the Franchise Agreement: Section 14 (Representations, Warranties and Covenants), Section 15 (Restrictive Covenants), Section 16 (Indemnification) and Section 18 (Transfer of Interest).
2. Each Guarantor has read the terms of the Franchise Agreement, and acknowledges that the execution of this Guaranty and the undertakings of Guarantors in the Franchise Agreement and any Related Agreements, are in partial consideration for, and a condition to, the granting of the J.Hilburn Studio franchise, and that J.Hilburn would not have granted the franchise without the execution of this Guaranty and the other obligations taken by each of the Guarantors.
3. Each Guarantor individually and personally, jointly and severally, unconditionally and irrevocably guarantees to J.Hilburn and its successors and assigns for the Term or any Renewal Term, and afterward as provided in the Franchise Agreement, that Studio Owner will punctually pay and perform each and every agreement and covenant set forth in the Franchise Agreement. Upon default by Studio Owner or upon notice from J.Hilburn, each Guarantor will immediately make each payment and perform each obligation required of Studio Owner under the Franchise Agreement and any Related Agreements.
4. Each Guarantor, individually and personally, agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Each Guarantor consents and

agrees that he or she will make any payment or take such action required under the Franchise Agreement upon demand if Studio Owner fails or refuses punctually to do so.

5. Each Guarantor agrees that such liability will not be contingent or conditioned upon pursuit by J.Hilburn of any remedies against Studio Owner or any other person or Entity and waives any right Guarantor may have to require that an action be brought against Studio Owner or any other person or Entity as a condition of his or her liability. J.Hilburn may pursue its rights against any Guarantor without first exhausting its remedies against Studio Owner and without joining any other Guarantor, and no delay on the part of J.Hilburn in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by J.Hilburn of any right or remedy will preclude the further exercise of that or any other right or remedy.
6. Without affecting the obligations of any Guarantors under this Guaranty, J.Hilburn may, without notice to the Guarantors, waive, renew, extend, amend or release any indebtedness or obligation of Studio Owner or settle, adjust or compromise any claims that J.Hilburn may have against Studio Owner.
7. Each Guarantor agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that J.Hilburn may periodically grant to Studio Owner or to any other person or Entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term and any Renewal Term. Each Guarantor waives all rights to payments and claims for reimbursement which any of the Guarantors may have against Studio Owner arising as a result of the Guarantor's execution of and performance under this Guaranty.
8. Each Guarantor waives all other rights or benefits otherwise provided to sureties or guarantors under any state or federal law or common law, except as provided in this Guaranty. Each Guarantor agrees that J.Hilburn may unqualifiedly exercise, in its sole discretion, any or all rights and remedies available to it against Studio Owner or any other guarantor or pledgor without impairing J.Hilburn's rights and remedies in enforcing this Guaranty, under which Guarantor's liabilities will remain independent and unconditional. Each Guarantor agrees that J.Hilburn's exercise of certain of such rights or remedies may affect, or eliminate Guarantor's right of recovery against Studio Owner and that each Guarantor may incur a partially or totally non reimbursable liability under this Guaranty.
9. On J.Hilburn's request, each Guarantor will promptly deliver to J.Hilburn complete and current financial statements and tax returns and such other financial information about each Guarantor as J.Hilburn may reasonably request. Each Guarantor agrees to keep J.Hilburn fully informed on all aspects of Studio Owner's financial condition and the performance of Studio Owner's obligations to J.Hilburn, and that J.Hilburn has no duty to disclose to Guarantor any information pertaining to Studio Owner or to notify Guarantor of Studio Owner's default under the Franchise Agreement or any Related Agreements.

10. Upon receipt by J.Hilburn of notice of the death of any Guarantor, the estate of the deceased will be bound by the foregoing Guaranty, but only for defaults and obligations under the Franchise Agreement and any Related Agreements existing at the time of death, and the obligations of the remaining Guarantors will continue in full force and effect.
11. If this Guaranty is executed by more than one party, each Guarantor agrees that J.Hilburn may enforce the provisions of this Guaranty against one or more of the parties without seeking to enforce this Guaranty as to all or any other parties to this Guaranty. Each Guarantor waives any requirement of joinder of all or any other of the parties to this Guaranty in any suit or proceeding to enforce the provisions of this Guaranty.
12. The provisions of this Guaranty are severable, and, in the event that any of them is held void and unenforceable as a matter of law, the remainder will be deemed modified so as to impose the maximum duty permitted by law and such provision will be valid and enforceable in such modified form as if separately stated in and made a part of this Guaranty.
13. All disputes concerning the validity, interpretation, or performance of this Guaranty and any of its terms or provisions, or any rights or obligations of the parties hereto, will be governed by and resolved in accordance with the laws of the State of Texas (without regard to Texas conflicts of laws rules), and be resolved in the courts located within Dallas County, Texas.
14. If any legal action is initiated by either of the parties hereto, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees and costs in addition to any other relief that may be awarded.
15. Each Guarantor represents and warrants that the following is a complete and accurate list of all Principals of Studio Owner and a full description of the nature and extent of each Principal's Ownership Interest in Studio Owner. Studio Owner, and each Guarantor (as to his or her Ownership Interest), represents and warrants that Principal is the sole and exclusive legal and beneficial owner of his or her Ownership Interest in Studio Owner, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

[Signatures appear on following page.]

IN WITNESS WHEREOF, each of the undersigned Guarantor has executed this Guaranty effective as of the date of this Guaranty.

GUARANTORS

EQUITY INTEREST

Name: _____
Date: _____

_____ %

Name: _____
Date: _____

_____ %

Name: _____
Date: _____

_____ %

Name: _____
Date: _____

_____ %

Name: _____
Date: _____

_____ %

Name: _____
Date: _____

_____ %

EXHIBIT H

INSURANCE REQUIREMENTS

The insurance requirements described below are for a single J.Hilburn Studio. If a Studio Owner owns multiple J.Hilburn Studios, Studio Owner must meet the insurance requirements below for each J.Hilburn Studio and each “J.Hilburn Studio location” aggregate limits when multiple J.Hilburn Studios are insured under single comprehensive general liability policy (e.g., for two J.Hilburn Studios, Studio Owner must purchase a commercial general liability policy with a minimum per occurrence liability limit of \$1,000,000 and an aggregate liability limit of \$2,000,000). J.Hilburn may modify the terms of these insurance requirements at any time upon written notice to Studio Owner. The insurance policies and limits required below will not limit, and are independent of, the indemnification obligations under the Agreement.

A. Commercial General Liability. The commercial general liability policy will be written on an occurrence basis and will include coverage for products/completed operations on the J.Hilburn Studio Premises through ISO form CG 24 07 or equivalent coverage and must not include an exclusion or sublimit for assault and battery. The commercial general liability policy will have a minimum per occurrence liability limit of \$1,000,000 and an aggregate liability limit of \$2,000,000. The commercial general liability policy will also have the following endorsements: the additional insured coverage for J.Hilburn, Inc. (“**J.Hilburn**”) and its Affiliates and their respective owners, directors, managers, officers, employees, agents, successors and assignees (collectively, the “**J.Hilburn Representatives**”) which will include Premises-operations, contractual liability, independent contractors, and products and completed operations. The additional insured coverage will not be limited to J.Hilburn’s vicarious liability, and will include coverage for liability arising out of or occurring upon or in connection with the condition, operation, use or occupancy of the J.Hilburn Studio.

B. Insurance Required Under Applicable Law. Any insurance which may be required by statute or rule of the state or locality in which Studio Owner’s J.Hilburn Studio will be operated.

C. Deductibles. The insurance coverages described above may not have any deductible, self- insured retention, self-funded retention, or any similar provision unless prior written consent is given by J.Hilburn.

EXHIBIT I

CONSENT TO COVENANTS AND OPTION

The undersigned spouses of the Principals identified in the Franchise Agreement consent to the provisions of Sections 15, 18 and 20(k) of the Franchise Agreement and agree that any interest which he or she owns in the Franchise Agreement, in the Studio operated under the Franchise Agreement, or in Studio Owner (whether a separate property interest, community property interest, joint ownership interest or otherwise) will be subject to the confidentiality, non-solicitation and non-competition covenants and J.Hilburn's right of first refusal or purchase option, as applicable, described in said Sections.

Name of Principal

Name of Principal

Name of Principal's Spouse

Name of Principal's Spouse

Signature of Principal's Spouse

Signature of Principal's Spouse

Name of Principal

Name of Principal's Spouse

Signature of Principal's Spouse

EXHIBIT J

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Studio Owner:_____

Principal Name:_____ Phone:_____

Contact Person:_____ Title:_____

Address:_____

Studio Owner authorizes J.Hilburn Franchise, Inc. (“***J.Hilburn***”) to initiate entries to the checking or savings account identified below for payment of fees and any other amounts owed by Studio Owner to J.Hilburn or its Affiliates under the Franchise Agreement between J.Hilburn and Studio Owner or otherwise and, if necessary, to initiate any adjustments for transactions credited in error.

This authorization will remain in full force and effect until five calendar days after J.Hilburn has received signed written notification from Studio Owner of its termination.

Name and Address on Account:_____

Pay to the order of: [_____]

Studio Owner’s Financial Institution:_____

(Name, Address & Phone #)_____

Transit/ABA Routing Number:_____

Account Number:_____

PLEASE ATTACH A VOIDED CHECK

Signature:_____ Date:_____

Printed Name:_____

EXHIBIT K

EXISTING STUDIO OWNER CONVERSION AND PROMOTION ADDENDUM TO THE FRANCHISE AGREEMENT

This Existing Studio Owner Conversion and Promotion Addendum to the Franchise Agreement (the “**Addendum**”) is entered into this ____ day of _____, 20____, by and between J.Hilburn Franchise, Inc., a Delaware corporation (the “**J.Hilburn**”) and _____ (the “**Studio Owner**”) and amends the terms of the Franchise Agreement (the “**Franchise Agreement**”) dated _____, 20____, by and between J.Hilburn and Studio Owner. All capitalized terms not defined in this Addendum shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. J.Hilburn has developed and continues to develop, a distinctive system (the “**System**”) relating to the marketing and sale of luxury custom and ready to-wear men’s apparel (the “**Products**”) through the establishment and operation of a franchised J.Hilburn studio (a “**J.Hilburn Studio**”) by J.Hilburn franchisees.

B. Studio Owner currently operates its J.Hilburn business at a J.Hilburn location (the “**Current Location**”) listed on Exhibit B to the Franchise Agreement which offers the Products, and Studio Owner desires to convert its Current Location to a franchised J.Hilburn Studio (the “**Studio**”).

C. J.Hilburn agrees to grant Studio Owner the right to operate the Studio at the Current Location using the System pursuant to the terms of the Franchise Agreement and this Addendum.

AGREEMENT

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Amendment to Section 3(a), “Initial Term”. The first sentence of Section 3(a) of the Franchise Agreement is amended to read as follows:

“(a) Initial Term. The Initial Term (the “**Term**”) of this Agreement will begin on the Effective Date and expire at the end of the current term of the existing lease (the “**Existing Lease**”) for the Current Location.

2. Amendment to Section 4(a), “Franchise Fee”. The first sentence of Section 4(a) of the Franchise Agreement is amended to read as follows:

“(a) Franchise Fee. Payment of the \$500 franchise fee (the “**Franchise Fee**”) is waived by J.Hilburn.”

3. Amendment to Section 4(b), “Initial Merchandise Fee”. Section 4(b)(i) of the Franchise Agreement is amended to read as follows:

“(b)(i) Initial Merchandise Fee. Subject to the terms of this Section 4(b)(i), Studio Owner initially will defer the payment of the initial merchandise fee of **\$10,100** (the “**Initial Merchandise Fee**”), for payment of the first-year comprehensive set of brand approved sales tools, including category “bars,” three looks from J.Hilburn’s Essentials fabrics (one formal, one suit and one casual try-on sets), for one year from the Effective Date of the Franchise Agreement (the “**Deferral Period**”). In the event that Franchisee has achieved Qualified Personal Sales Volume of at least \$250,000 at the end of the Deferral Period, the Initial Merchandise Fee will be permanently waived for that year. If the required Qualified Personal Sales Volume is not met by the end of the Deferral Period, the Initial Merchandise Fee will be payable in readily available funds five Business Days after the end of the Deferral Period. The Initial Merchandise Fee will be fully earned by J.Hilburn and is not refundable.”

4. Annual Inspection Fee. Amendment to Section 4(c), “Annual Inspection Fee”. Section 4(c) of the Franchise Agreement is amended to read as follows:

“(c) Annual Inspection Fee. Subject to the terms of this Section 4(c), Studio Owner initially will defer the payment of the annual inspection fee of \$500 (the “**Annual Inspection Fee**”) during the Deferral Period. In the event that Franchisee has achieved Qualified Personal Sales Volume of at least \$250,000 at the end of the Deferral Period, the Annual Inspection Fee will be permanently waived for that year. If the required Qualified Personal Sales Volume is not met by the end of the Deferral Period, the Annual Inspection Fee will be payable in readily available funds five Business Days after the end of the Deferral Period. The Annual Inspection Fee will be fully earned by J.Hilburn and is not refundable. The Annual Inspection Fee thereafter will be due and payable each year on the anniversary date of the Term and any Renewal Term.”

5. Amendment to Section 4(d), “Annual Merchandise Fee”. Section 4(d)(i) of the Franchise Agreement is amended to read as follows:

“(a)(i) Annual Merchandise Fee. Subject to the terms of this Section 4(d)(i), Studio Owner initially will defer the payment of the annual merchandise fee (the “**Annual Merchandise Fee**”), for payment of the then current package of eight annual seasonal looks for each of years two and three of the Term (each an “**Annual Deferral Period**”). In the event that Studio Owner achieves Qualified Personal Sales Volume of at least \$250,000 at the end of the applicable Annual Deferral Period, the Annual Merchandise Fee will be permanently waived for that specific year. If the required Qualified Personal Sales Volume is not met by the end of the applicable Annual Deferral Period for a specific year, the Annual Merchandise Fee will be payable in readily available funds five Business Days after the end of the applicable Annual Deferral Period for such year. At the end of year three of the Term, this deferral promotion will end and the Annual Merchandise Fee will be paid in full at the beginning of each year of the Term. Only one Annual Merchandise Fee will be charged to each J.Hilburn Studio each year. The current Annual Merchandise Fee is \$4,600, but J.Hilburn may increase the Annual Merchandise Fee at any time as set forth in the Brand Guidelines. The Annual Merchandise Fee will be fully earned by J.Hilburn and is not refundable.”

6. Amendment to Section 5(a), “Site Approval Selection”. Section 5(a) of the Franchise Agreement shall be deleted and replaced by the following:

“(a) Site Approval. J.Hilburn’s grants Studio Owner the right to operate the Studio at Studio Owner’s Current Location pursuant to the Existing Lease. Studio Owner shall operate the Studio only at such location.

7. Amendment to Section 5(b) “Approval of Lease.” The first sentence of Section 5(b) is deleted and replaced by the following sentence:

“J.Hilburn approves the Existing Lease as the lease for the Current Location (the “**Lease**”). After the Existing Lease expires, the new Lease must contain the terms set forth in Exhibit E attached to and incorporated in the Franchise Agreement.

8. Amendment to Section 6, “Construction or Renovation of the J.Hilburn Studio”. Section 6(a) of the Franchise Agreement is amended to reflect that Studio Owner shall have six months from the Effective Date of the Franchise Agreement to install exterior signage at the Current Location that meets the standards set forth in the Brand Guidelines and the Studio Operations Manual. At the end of current term of the Existing Lease, Studio Owner must renovate the Studio to meet the standards for J.Hilburn Studios set forth in the Brand Guidelines and Studio Operations Manual.

9. Amendment to Section 6(e), “Approval for Opening.” Section 6(e) of the Franchise Agreement is amended to reflect that the Studio will continue to remain open for business after execution of the Agreement.

10. Immediate Actions. Studio Owner shall within ten Business Days of the Effective Date of the Franchise Agreement:

(a) cease to use any system other than the System and shall cease to use, by advertising or any manner whatsoever, any mark, name or logo not approved by J.Hilburn and shall use only the Marks;

(b) begin to use J.Hilburn’s software and related technology requirements and maintain all books, records and reports required by J.Hilburn and the Franchise Agreement; and

(c) prominently display a notice in the J.Hilburn Studio, and shall include a statement on Studio Owner’s letterhead and all documents and other printed material used within the J.Hilburn Studio, stating that Studio Owner is an independent J.Hilburn Studio franchisee of J.Hilburn or such other statement provided in writing by J.Hilburn.

11. Ratification. Except as modified by this Addendum, the terms and provisions of the Franchise Agreement shall remain unchanged, and the Franchise Agreement, as modified and supplemented by this Addendum, shall continue in full force and effect.

12. References to J.Hilburn Studio. Except as amended by this Addendum, all references to a J.Hilburn Studio in the Franchise Agreement shall include the Current Location.

13. No Waiver. Except as amended by this Addendum, the Franchise Agreement shall remain in full force and effect. At no time have the liabilities or the obligations arising pursuant to the Franchise Agreement been suspended or discontinued, either temporarily or permanently.

14. Conflict. Should any provision of the Franchise Agreement conflict with any provision of this Addendum, the provisions of this Addendum shall prevail.

15. Future References. From and after the date of this Addendum, all references to the Franchise Agreement in any and all documents of any kind shall include this Addendum.

16. Execution in Counterparts. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

17. Future Cooperation. Each of the parties agrees to cooperate at all times from the date of this Addendum with respect to all matters described in this Addendum, and to execute such other amendments and other documents as may be reasonably necessary to give effect to the transactions contemplated by this Addendum.

FRANCHISOR:

J.HILBURN FRANCHISE, INC.

a Delaware corporation

By: _____

Its: _____

STUDIO OWNER:

By: _____

Its: _____

EXHIBIT B

STATE-SPECIFIC ADDENDA / RIDERS TO FRANCHISE STUDIO AGREEMENT

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
J.HILBURN FRANCHISE, INC.**

The following are additional disclosures for the Franchise Disclosure Document of J.Hilburn Franchise, Inc. required by various state franchise laws. No provision of these additional disclosures will apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION OF ANY AGREEMENT.

2. BEFORE THE FRANCHISOR CAN ASK YOU TO MATERIALLY MODIFY YOUR EXISTING FRANCHISE AGREEMENT, SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES THE FRANCHISOR TO FILE A MATERIAL MODIFICATION APPLICATION WITH THE DEPARTMENT THAT INCLUDES A DISCLOSURE DOCUMENT SHOWING THE EXISTING TERMS AND THE PROPOSED NEW TERMS OF YOUR FRANCHISE AGREEMENT. ONCE THE APPLICATION IS REGISTERED, THE FRANCHISOR MUST PROVIDE YOU WITH THAT DISCLOSURE DOCUMENT WITH AN EXPLANATION THAT THE CHANGES ARE VOLUNTARY.

3. OUR WEBSITE, www.jhilburn.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. The following is added to the end of Item 3 of the Franchise Disclosure Document:

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

5. The following sentence is added to the “Remarks” column of the line-item titled “Interest” in Item 6 of the Franchise Disclosure Document:

The highest interest rate allowed under California law is 10% annually.

6. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, and the law applies, then the law will control.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

The Agreement provides for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Agreement requires application of the laws of the State of Texas. This provision might not be enforceable under California law.

The Agreement requires binding mediation or arbitration only in Dallas, Texas. You will be required to travel to that location and pay the expenses you incur in any such mediation or arbitration proceeding. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

1. The following language is added to the end of Items 5 and 7 of the Franchise Disclosure Document:

Despite the payment provisions above, all initial fees and payments you owe us will be deferred until we complete our pre-opening obligations under the Franchise Agreement and you have commenced operating your J.HILBURN® Studio. You must pay us the initial franchise fee in full on the day you begin operating your J.HILBURN® Studio (unless it is further deferred as provided above). The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

2. The following statements are added to the end of Item 17 of the Franchise Disclosure Document:

Illinois law governs the Franchise Studio Agreement.

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 CALENDAR DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 CALENDAR DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
 - that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

4. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.
9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
10. The following language is added to the end of Items 5 and 7 of the Franchise Disclosure Document:

Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, the initial franchise fee that you owe to us will be deferred until we complete our pre-opening obligations under the Franchise Studio Agreement and you have commenced operating your J.HILBURN® Studio. You must pay us the initial franchise fee in full on the day you begin operating your J.HILBURN® Studio (unless the initial franchise fee is further deferred as provided in the Franchise Studio Agreement).

WASHINGTON

The Washington Addendum to the Franchise Studio Agreement applies to the Franchise Disclosure Document.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO
J.HILBURN FRANCHISE, INC.
FRANCHISE STUDIO AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

THIS RIDER is made and entered into by and between J.Hilburn Franchise, Inc., a Delaware corporation, with its principal place of business at 883 Trinity Drive, Lewisville, Texas 75056 (“**Franchisor**” or “**J.Hilburn**”), and [_____], a _____ (*insert state and type of entity*) with its principal place of business at _____ (“**Studio Owner**”).

1. **BACKGROUND.** The Franchisor and Studio Owner are parties to that certain Franchise Studio Agreement dated _____ (the “Franchise Studio Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Studio Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the J.HILBURN® Studio that Studio Owner will operate under the Franchise Studio Agreement was made in California and Studio Owner is a resident of California, and/or (b) the J.HILBURN® Studio will operate in California.

2. The following statements are added to the end of the Franchise Studio Agreement:

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Studio Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

FRANCHISOR:

FRANCHISEE:

J.HILBURN FRANCHISE, INC.,
a Delaware corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**RIDER TO
J.HILBURN FRANCHISE, INC.
FRANCHISE STUDIO AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

THIS RIDER is made and entered into by and between J.Hilburn Franchise, Inc., a Delaware corporation, with its principal place of business at 883 Trinity Drive, Lewisville, Texas 75056 (“**Franchisor**” or “**J.Hilburn**”), and [____], a _____ (*insert state and type of entity*) with its principal place of business at _____ (“**Studio Owner**”).

1. **BACKGROUND.** The Franchisor and Studio Owner are parties to that certain Franchise Studio Agreement dated _____ (the “Franchise Studio Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Studio Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the J.HILBURN® Studio that Studio Owner will operate under the Franchise Studio Agreement occurred in Illinois and the J.HILBURN® Studio will be located in Illinois, or (b) Studio Owner is a resident of Illinois.

2. The following language is added to the end of Section 4(a) of the Franchise Studio Agreement:

Despite the payment provisions above, all initial fees and payments that Studio Owner owes to J.Hilburn will be deferred until J.Hilburn completes its pre-opening obligations under this Agreement and Studio Owner has commenced operating its Studio. Studio Owner must pay J.Hilburn the initial franchise fee in full on the day it begins operating its Studio (unless the initial franchise fee is further deferred as provided in this Agreement). The Illinois Attorney General’s Office imposed this deferral requirement due to our financial condition.

3. The following statements are added to the end of the Franchise Studio Agreement:

Illinois law governs the Franchise Studio Agreement.

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

FRANCHISOR:

J.HILBURN FRANCHISE, INC.,
a Delaware corporation

FRANCHISEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the franchise agreement and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the franchise that will be operated under the Franchise Agreement will be located in Minnesota, or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
 - that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 60A.113, which puts a cap of \$30 on service charges.
8. Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
10. The following language is added to the end of Section 4(a) of the Franchise Studio Agreement:

Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, the initial franchise fee that Studio Owner owes to J.Hilburn will be deferred until J.Hilburn completes its pre-opening obligations under the Franchise Studio Agreement and Studio Owner has commenced operating its Studio. Studio Owner must pay J.Hilburn the initial franchise fee in full on the day it begins operating its Studio (unless the initial franchise fee is further deferred as provided in the Franchise Studio Agreement).

The undersigned parties do hereby acknowledge receipt of this Addendum.

FRANCHISOR:

FRANCHISEE:

J.HILBURN FRANCHISE, INC.,
a Delaware corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a

franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

FRANCHISOR:

FRANCHISEE:

J.HILBURN FRANCHISE, INC.,
a Delaware corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT C

FRANCHISEE REPRESENTATIONS

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

J.HILBURN FRANCHISE, INC.
FRANCHISEE REPRESENTATIONS

DO NOT SIGN THIS FRANCHISEE REPRESENTATIONS IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

Important Instructions: J.Hilburn Franchise, Inc. (“we,” “us,” or “our”) and you are preparing to sign a Franchise Studio Agreement for the development and operation of a J.HILBURN® Studio (the “Studio”). This document’s purpose is to determine whether any statements or promises were made to you that we have not authorized, that do not appear in or are inconsistent with our franchise documents, and/or that might be untrue, inaccurate, or misleading. We also want to be sure that you understand certain terms of the agreements you will sign and their ramifications. Please review each of the following statements carefully and do not sign this document if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will act in reliance on the truth of what it says.

Name of Prospective Franchisee: _____
(the “Franchisee”)

Each of the undersigned represents that all of the following statements are true:

1. The only state(s) in which each of the undersigned is a resident or domiciled is (are): _____.

***Insert initials into the following blank to confirm this statement: ____**

2. Each of the undersigned has independently investigated us and our affiliates; the System (as that term is used in our Franchise Studio Agreement); the risks, burdens, and nature of the business that Franchisee will conduct under the Franchise Studio Agreement; the Studio’s location (if already selected); and the Studio’s market area.

***Insert initials into the following blank to confirm this statement: ____**

3. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Studio Agreement involves risk, and any success or failure will be substantially influenced by Franchisee’s abilities and efforts, the viability of the Studio’s location, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors.

***Insert initials into the following blank to confirm this statement: ____**

4. Each of the undersigned understands that we previously might have signed, and in the future we may sign, franchise studio agreements with provisions that are different from the provisions of the Studio’s Franchise Studio Agreement.

***Insert initials into the following blank to confirm this statement: ____**

5. If we unilaterally made material changes in Franchisee's final, ready-to-be signed copies of the Franchise Studio Agreement and related documents (other than as a result of our negotiations with Franchisee), Franchisee has had those documents in its possession for at least seven (7) calendar days before signing them and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents.

***Insert initials into the following blank to confirm this statement: ____**

6. Franchisee has received a franchise disclosure document ("FDD") as required by law at least 14 calendar days before signing the Franchise Studio Agreement, or paying any consideration to us or our affiliate in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning the FDD.

***Insert initials into the following blank to confirm this statement: ____**

7. Except as provided in Item 19 of our FDD, we and our affiliates and agents have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Studio or any other business, except: (None, unless something is filled-in here or provided on additional sheets)

***Insert initials into the following blank to confirm this statement: ____**

8. Each of the undersigned understands that:

8.1 Except as provided in Item 19 of our FDD, we do not authorize our affiliates, or our or their respective officers, directors, employees, or agents, to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any J.HILBURN Studio.

***Insert initials into the following blank to confirm this statement: ____**

8.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular J.HILBURN Studio.

***Insert initials into the following blank to confirm this statement: ____**

8.3 We have specifically instructed our affiliates, and our and their respective officers, directors, employees, and agents, that except as provided in Item 19 of our FDD, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales

volume, or profitability, either generally or with respect to any particular J.HILBURN Studio.

***Insert initials into the following blank to confirm this statement: ____**

9. Before signing the Franchise Studio Agreement or any related documents, the undersigned Franchisee has had ample opportunity: (a) to discuss the Franchise Studio Agreement, any related document, and the business Franchisee will conduct with its, his, or her own attorneys, accountants, and real estate and other advisors; (b) to contact our existing franchisees; and (c) to investigate all statements and information made or given by us or our affiliates, or our or their respective officers, directors, employees, and agents, relating to the System, the Studio, and any other subject.

***Insert initials into the following blank to confirm this statement: ____**

10. Each of the undersigned understands that the Franchise Studio Agreement licenses certain rights for one, and only one, J.HILBURN Studio, operated only at the location now specified (or to be specified) in the Franchise Studio Agreement, and that, except as may be provided in the Franchise Studio Agreement with us, no “exclusive,” “expansion,” “protected,” “non-encroachable,” or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the structure in which the Studio is located, the contiguous or any other market area of the Studio, or any other existing or potential J.HILBURN Studio or geographic territory.

***Insert initials into the following blank to confirm this statement: ____**

11. Each of the undersigned understands that nothing stated or promised that is not specifically set forth in the Franchise Studio Agreement or FDD can or will be relied upon by the undersigned or Franchisee.

***Insert initials into the following blank to confirm this statement: ____**

12. Each of the undersigned has confirmed that no employee or agent of ours or our affiliates, or other person purporting to speak on our behalf, has made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance we will furnish to Franchisee that is contrary to, or different from, the information contained in the FDD and the Franchise Studio Agreement.

***Insert initials into the following blank to confirm this statement: ____**

13. Each of the undersigned understands that we and our affiliates may sell or transfer our assets, our trademarks, and/or the J.HILBURN Studio System outright to a third party; may go public; may engage in a private placement of some or all of our and our affiliates’ securities; may merge, acquire other companies, or be acquired by another company; and/or may undertake a refinancing, a recapitalization, a leveraged buy-out, a securitization, or other economic or financial restructuring.

***Insert initials into the following blank to confirm this statement: ____**

14. Each of the undersigned understands the importance of the Studio's location. The undersigned and Franchisee have had, or will have, ample opportunity and the means to investigate, review, and analyze independently the Studio's location, the building in which it is contained, the market area and all other facts relevant to the selection of a site for a J.HILBURN Studio, and the lease or purchase documents for such site.

***Insert initials into the following blank to confirm this statement: ____**

15. Each of the undersigned understands that neither our acceptance or selection of any location nor our negotiation or acceptance of any lease or purchase contract implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease or purchase contract is on favorable terms. It often is the case that such documents contain very tough terms.

***Insert initials into the following blank to confirm this statement: ____**

16. Each of the undersigned understands that site selection is a difficult and risky proposition. We and our affiliates have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon (or to be relied upon) by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants or other attributes, or the form or contents of any lease or purchase contract. Franchisee will have any lease or purchase contract reviewed by its, his, or her own attorney and other advisors.

***Insert initials into the following blank to confirm this statement: ____**

17. Each of the undersigned understands that the estimated initial investment range disclosed in Item 7 of our FDD is for a J.HILBURN Studio of a certain size, at a certain type of site, and having certain characteristics we consider to be fairly standard for J.HILBURN Studios. Franchisee's actual investment to develop its J.HILBURN Studio could be incrementally or materially higher than the estimated initial investment range disclosed in Item 7 if Franchisee chooses to develop a larger Studio or a Studio that otherwise is atypical when compared with standard J.HILBURN Studios.

***Insert initials into the following blank to confirm this statement: ____**

18. The covenants and restrictions concerning competition contained in the Franchise Studio Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature enabling each of them to derive income that is satisfactory to them from other endeavors.

***Insert initials into the following blank to confirm this statement: ____**

19. There is no fiduciary or confidential relationship between us and the undersigned or between us and Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

***Insert initials into the following blank to confirm this statement: ____**

20. We have advised the undersigned and Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Studio Agreement, this document, the Studio, any lease, sublease, or purchase contract for the premises, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

***Insert initials into the following blank to confirm this statement: ____**

21. Neither we or our affiliates, nor any of our or our affiliates' employees or agents, have provided the undersigned or Franchisee with services or advice that is legal, accounting, or other professional services or advice.

***Insert initials into the following blank to confirm this statement: ____**

22. We may communicate directly with Franchisee's trade suppliers at any time during the Studio's operation and obtain from them any sales and purchasing information relating to their dealings with Franchisee.

***Insert initials into the following blank to confirm this statement: ____**

23. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Studio Agreement. The statements made in this document and the Franchise Studio Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

***Insert initials into the following blank to confirm this statement: ____**

24. Each of the undersigned understands that, in the franchise relationship, we and Franchisee will be independent contractors. Nothing is intended to make either Franchisee or us (or any affiliate of ours) a general or special agent, joint venturer, partner, or employee of the other for any purpose. We (and our affiliates) will not exercise direct or indirect control over the Studio's personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, services, or the J.HILBURN Studio brand. We (and our affiliates) will not share or codetermine the employment terms and conditions of the Studio's employees or affect matters relating to the employment relationship between Franchisee and the Studio's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We (and our affiliates) will not be the employer or joint employer of the Studio's employees.

***Insert initials into the following blank to confirm this statement: ____**

25. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and Franchisee hereby certify that neither they nor any of their employees,

agents, or representatives, nor any other person or entity associated with Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Franchise Studio Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

***Insert initials into the following blank to confirm this statement: ____**

FRANCHISEE:

[_____]

By: _____
Signature

Print Name: _____

Title: _____

Date: _____

Owners/executives of the Franchisee legal entity must sign below individually

(Signature)

(Signature)

(Name Printed)

(Name Printed)

(Date)

(Date)

EXHIBIT D
FINANCIAL STATEMENTS



A S S U R A N C E D I M E N S I O N S

Financial Statements and Report of Independent
Certified Public Accountants

J. Hilburn Franchise, Inc.

March 31, 2026

J. Hilburn Franchise, Inc.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders' of **J. Hilburn Franchise, Inc.:**

Opinion

We have audited the accompanying financial statements of **J. Hilburn Franchise, Inc.** (the "Company"), a Delaware corporation, which comprise the balance sheet as of March 31, 2026, and the related statements of operations, changes in stockholders' equity, and cash flows for the period from February 25, 2026 (inception) to March 31, 2026, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations and its cash flows for the period February 25, 2026 (inception) to March 31, 2026 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has not yet begun operations as of March 31, 2026. This condition raises substantial doubt about the Company's ability to continue as a going concern. Company's plans regarding these matters are also described in Note C. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

ASSURANCE DIMENSIONS, LLC

also d/b/a McNAMARA and ASSOCIATES, LLC

TAMPA BAY: 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053

JACKSONVILLE: 7800 Belfort Parkway, Suite 290 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053

ORLANDO: 1800 Pembroke Drive, Suite 300 | Orlando, FL 32810 | Office: 888.410.2323 | Fax: 813.443.5053

SOUTH FLORIDA: 3111 N. University Drive, Suite 621 | Coral Springs, FL 33065 | Office: 754.800.3400 | Fax: 813.443.5053

www.assurancedimensions.com

"Assurance Dimensions" is the brand name under which Assurance Dimensions, LLC including its subsidiary McNamara and Associates, LLC (referred together as "AD LLC") and AD Advisors, LLC ("AD Advisors"), provide professional services. AD LLC and AD Advisors practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations, and professional standards. AD LLC is a licensed independent CPA firm that provides attest services to its clients, and AD Advisors provide tax and business consulting services to their clients. AD Advisors, and its subsidiary entities are not licensed CPA firms.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Assurance Dimensions, LLC
Coral Springs, Florida
April 13, 2026

ASSURANCE DIMENSIONS, LLC
also d/b/a McNAMARA and ASSOCIATES, LLC

TAMPA BAY: 4920 W Cypress Street, Suite 102 | Tampa, FL 33607 | Office: 813.443.5048 | Fax: 813.443.5053

JACKSONVILLE: 7800 Belfort Parkway, Suite 290 | Jacksonville, FL 32256 | Office: 888.410.2323 | Fax: 813.443.5053

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www.assurancedimensions.com

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J. Hilburn Franchise, Inc.**Balance Sheet****As of March 31, 2026**

ASSETS

Current Assets

Cash	\$ 50,000
Total assets	<u>\$ 50,000</u>

LIABILITIES & STOCKHOLDERS' EQUITY

Liabilities

Loans payable, related party	\$ 50,000
Total liabilities	<u>50,000</u>

Commitments and Contingencies (Note E)

Stockholders' Equity

Common stock, \$0.0001 par value, 10,000,000 shares authorized; 0 shares issued and outstanding	-
Additional paid-in capital	-
Retained earnings	<u>-</u>
Total stockholders' equity	<u>-</u>
Total liabilities & stockholders' equity	<u>\$ 50,000</u>

J. Hilburn Franchise, Inc.

Statement of Operations

For the period from February 25, 2026 (Inception) to March 31, 2026

Revenue	\$	-
Total revenue		-
Operating Expenses		
Total operating expenses		-
Net Income	\$	-

J. Hilburn Franchise, Inc.

Statement of Changes in Stockholders' Equity

For the period from February 25, 2026 (Inception) to March 31, 2026

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balance, February 25, 2026	-	-	-	-	-
Net income	-	-	-	-	-
Balance, March 31, 2026	-	\$ -	\$ -	\$ -	\$ -

J. Hilburn Franchise, Inc.**Statement of Cash Flows****For the period from February 25, 2026 (Inception) to March 31, 2026**

Cash flows from operating activities	
Net income	\$ -
Cash provided by operating activities	<u>-</u>
Cash flows from financing activities	
Proceeds from loans payable, related party	<u>50,000</u>
Cash provided by financing activities	<u>50,000</u>
Net increase in cash	50,000
Cash at beginning of period	-
Cash at end of period	<u><u>\$ 50,000</u></u>

J. Hilburn Franchise, Inc.

Notes to Financial Statements

March 31, 2026

Note A – Organization and Description of Business

J. Hilburn Franchise, Inc. (the “Company”) was incorporated as a corporation under the laws of the State of Delaware on February 25, 2026. The Company’s fiscal year ends on December 31, 2026.

The Company is engaged in supporting a franchise system known as J.Hilburn Studio, which provides custom men's apparel. The Company establishes brand and operational standards for franchisees. The Company conducts its operations primarily within the United States.

The Company is 100% owned by JH Apparel Holdings LLC (the “Parent Company”).

Note B – Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as contained in the Accounting Standards Codification (“ASC”) issued by the Financial Accounting Standards Board (“FASB”).

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. The Company maintains its cash balances with high-quality financial institutions, which may, at times, exceed federally insured limits. The Company does not believe it is exposed to significant credit risk. As of March 31, 2026, the Company had no cash equivalents.

Income Taxes

Income taxes are accounted for under ASC Topic 740, *Income Taxes*, which utilizes the asset and liability method, whereby deferred income taxes are recorded based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the underlying assets are received or liabilities are settled. In evaluating the Company’s ability to recover the deferred tax assets within the jurisdiction from which they arise, management considers all available positive and negative evidence and establishes a valuation allowance if necessary, to reduce the deferred tax assets to their expected net realizable value.

J. Hilburn Franchise, Inc.

Notes to Financial Statements

March 31, 2026

Note B – Significant Accounting Policies (continued)

Income Taxes (continued)

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term "more-likely-than-not" means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment. The Company recognizes interest and penalties on income taxes as a component of income tax expense.

The Company's 2026 tax year remains open for examination. The Company has evaluated its tax positions and determined that there are no uncertain tax positions as of March 31, 2026.

Note C – Going Concern

These financial statements are prepared on a going concern basis. The Company has not yet begun operation as of March 31, 2026. These factors raise substantial doubt about the Company's ability to continue as a going concern within the twelve-month period subsequent to the date that these financial statements are issued. The Company intends to fund its operations with funding from its owner as deemed necessary. The accompanying financial statements do not take into account any adjustments that could result from these uncertainties.

Note D – Related Party Transactions

On March 26, 2026, the Company entered into an interest-free loan agreement with the Parent Company, providing for a principal amount of \$50,000. The loan is non-interest bearing and is required to be repaid in a single lump sum payment on or before March 31, 2046. The agreement allows for prepayment of any or all of the outstanding principal at any time without penalty. As of March 31, 2026, \$50,000 was outstanding under this loan.

Note E – Commitments and Contingencies

The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Company's financial position or results of operations.

Note F – Subsequent Events

Subsequent events have been evaluated through April 13, 2026 which is the date the financial statements were available to be issued.

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

J. H I L B U R N
STYLIST STUDIO

**STUDIO OWNERS
OPERATIONS MANUAL**

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EXHIBIT F

LIST OF STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Website: www.dfpi.ca.gov

Email: ask.DFPI@dfpi.ca.gov

(for service of process)

Commissioner of Department of Financial
Protection & Innovation

(state franchise administrator)

Department of Financial Protection &
Innovation

Toll Free: 1 (866) 275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 327-7585

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

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

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Department of Attorney General
Corporate Oversight Division
525 W. Ottawa Street
G. Mennen Williams Building, 5th Floor
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

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

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Insurance Commissioner
North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

(state agency)

North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

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

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

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

(for other matters)

Securities Division
Department of Financial Institutions
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT G

LIST OF FRANCHISEES

None

EXHIBIT H

NEW STUDIO OWNER PROMOTION ADDENDUM

NEW STUDIO OWNER PROMOTION ADDENDUM TO THE FRANCHISE AGREEMENT

This New Studio Owner Promotion Addendum to the Franchise Agreement (the “**Addendum**”) is entered into this ____ day of _____, 20____, by and between J.Hilburn Franchise, Inc., a Delaware corporation (the “**J.Hilburn**”) and _____ (the “**Studio Owner**”) and amends the terms of the Franchise Agreement (the “**Franchise Agreement**”) dated _____, 20____, by and between J.Hilburn and Studio Owner. All capitalized terms not defined in this Addendum shall have the meaning set forth in the Franchise Agreement.

RECITALS

A. J.Hilburn has developed and continues to develop a distinctive system (the “System”) relating to the marketing and sale of luxury custom and ready-to-wear men’s apparel through the establishment and operation of a franchised J.Hilburn studio (a “**Studio**”).

B. J.Hilburn is offering a special promotion (the “**Promotion**”) to new Studio Owners who open the first ten new franchised Studios after May 1, 2026, where J. Hilburn will waive payment of the initial Franchise Fee and the Annual Fee for the first year, subject to meeting the requirements set forth in this Addendum.

C. Studio Owner is a Studio Stylist who agrees to open and operate one of the first ten new franchised Studios pursuant to a Franchise Agreement and is eligible for the Promotion.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Amendment to Section 4(a), “Franchise Fee”. Section 4(a) of the Franchise Agreement is amended to read as follows:

“(a) Franchise Fee. Subject to the terms of this Section 4(a), J.Hilburn initially will defer the payment of the franchise fee of \$500 (the “**Franchise Fee**”) for one year from the Effective Date of the Franchise Agreement (the “**Deferral Period**”). In the event that the Studio Owner has achieved Qualified Personal Sales Volume of at least \$250,000 at the end of the Deferral Period, the Franchise Fee will be permanently waived. If the required Qualified Personal Sales Volume is not met by the end of the Deferral Period, the Franchise Fee will be payable in full in readily available funds five Business Days after the end of the Deferral Period. The Franchise Fee will be fully earned by J.Hilburn and is not refundable.”

2. Amendment to Section 4(b)(i). Section 4(b)(i) of the Franchise Agreement is amended to read as follows:

“(b)(i) Initial Merchandise Fee. Subject to the terms of this Section 4(b), J.Hilburn initially will defer payment of the initial merchandise fee of \$10,100 (the “**Initial Merchandise Fee**”), for payment of the first-year comprehensive set of brand approved sales tools, including category “bars”, three looks from J. Hilburn’s Essentials fabrics (one

formal, one suit and one casual) and try-on sets, for the Deferral Period. In the event the Studio Owner has achieved Qualified Personal Sales Volume of at least \$250,000 at the end of the Deferral Period, the Initial Merchandise Fee will be permanently waived for the first year of the Term. If the required Qualified Personal Sales Volume is not met by the end of the Deferral Period, the Initial Merchandise Fee will be payable in full in readily available funds five Business Days after the end of the Deferral Period. The Initial Merchandise Fee will be fully earned by J.Hilburn and is not refundable.”

3. Amendment to Section 4(d), “Annual Merchandise Fee”. Section 4(d)(i) of the Franchise Agreement is amended to read as follows:

“(a)(i) Annual Merchandise Fee. Subject to the terms of this Section 4(d)(i), Studio Owner initially will defer the payment of the annual merchandise fee (the “**Annual Merchandise Fee**”), for payment of the then current package of eight annual seasonal looks for each of years two and three of the Term (each an “**Annual Deferral Period**”). In the event that Studio Owner achieves Qualified Personal Sales Volume of at least \$250,000 at the end of the applicable Annual Deferral Period, the Annual Merchandise Fee will be permanently waived for that specific year. If required, Qualified Personal Sales Volume is not met by the end of the applicable Annual Deferral Period for a specific year, the Annual Merchandise Fee will be payable in readily available funds five Business Days after the end of the applicable Annual Deferral Period for such year. At the end of year three of the Term, this deferral promotion will end, and the Annual Merchandise Fee will be paid in full at the beginning of each year of the Term. Only one Annual Merchandise Fee will be charged to each J.Hilburn Studio each year. The current Annual Merchandise Fee is \$4,600, but J.Hilburn may increase the Annual Merchandise Fee at any time as set forth in the Brand Guidelines. The Annual Merchandise Fee will be fully earned by J.Hilburn and is not refundable.”

4. Ratification. Except as amended by this Addendum, the terms and provisions of the Franchise Agreement shall remain unchanged.

5. No Waiver. Except as amended by this Addendum, the Franchise Agreement shall remain in full force and effect. At no time have the liabilities or the obligations arising pursuant to the Franchise Agreement been suspended or discontinued, either temporarily or permanently.

6. Conflict. Should any provision of the Franchise Agreement conflict with any provision of this Addendum, the provisions of this Addendum shall prevail.

7. Future References. From and after the date of this Addendum, all references to the Franchise Agreement in any other related written documents of any kind shall include this Addendum.

8. Execution in Counterparts. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same document.

9. Future Cooperation. Each of the parties to this Addendum agrees to cooperate at all times from the date to this Addendum with respect to all matters described in this Addendum, and to execute such other amendments and documents as may be reasonably necessary to give effect to the transactions contemplated by this Addendum.

FRANCHISOR:

J.HILBURN FRANCHISE, INC.

a Delaware corporation

By: _____

Its: _____

STUDIO OWNER:

By: _____

Its: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Minnesota	Pending
Washington	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise studio agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If J.Hilburn Franchise, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Iowa requires that J.Hilburn Franchise, Inc. give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If J.Hilburn Franchise, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit F.

The franchisor is J.Hilburn Franchise, Inc., located at 883 Trinity Drive, Lewisville, Texas 75056, (866) 789-5381.

Issuance date: April 17, 2026

The franchise sellers for this offering are Diana Aziz and Simone Pizzuti at J.Hilburn Franchise, Inc., 883 Trinity Drive, Lewisville, Texas 75056. Their contact number is (866) 789-5381.

We authorize the respective state agents identified on Exhibit F to receive service of process for us in the particular states. I received a disclosure document from J.Hilburn Franchise, Inc. issued as of April 17, 2026, that included the following Exhibits:

- A. Franchise Studio Agreement (including exhibits)
- B. State-Specific Addenda / Riders to Franchise Studio Agreement
- C. Franchisee Representations
- D. Financial Statements
- E. Studio Operations Manual Table of Contents
- F. List of State Agencies/Agents for Service of Process
- G. List of Franchisees
- H. New Studio Owner Promotion Addendum

Date

Prospective Franchisee [Print Name]

Prospective Franchisee [Signature]

(Date, sign, and return to us at our address above or by emailing a scanned copy of the signed and dated Receipt to franchise@jhilburn.com.

RECEIPT

This disclosure document summarizes certain provisions of the franchise studio agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If J.Hilburn Franchise, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Iowa requires that J.Hilburn Franchise, Inc. give you this disclosure document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If J.Hilburn Franchise, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit F.

The franchisor is J.Hilburn Franchise, Inc., located at 883 Trinity Drive, Lewisville, Texas 75056, (866) 789-5381.

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- D. Financial Statements
- E. Studio Operations Manual Table of Contents
- F. List of State Agencies/Agents for Service of Process
- G. List of Franchisees
- H. New Studio Owner Promotion Addendum

Date

Prospective Franchisee [Print Name]

Prospective Franchisee [Signature]

(Date, Sign, and Keep for Your Own Records)