FRANCHISE DISCLOSURE DOCUMENT

KENNEDY'S International Franchising, LLC
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KENNEDY'S
BARBER CLUB

KENNEDY'S International Franchising, LLC offers franchises the right to operate a KENNEDY'S Barber Club®, a membership-based upscale men's barber and grooming club.

The total investment necessary to begin operation of a KENNEDY'S Franchise is ranges from $160,800 to $281,285. This includes $39,943 to $40,886 that must be paid to us or our affiliate(s).

The total investment necessary to begin the operation of a KENNEDY'S multi-unit development business ranges from $196,800 to $387,285, for a required minimum of 2 KENNEDY'S outlets to be developed. This includes $75,943 to $146,866 that must be paid to the franchisor or an affiliate.

This disclosure document summarizes certain provisions of the 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 government agency has verified the information contained in this document**.

You may wish to receive this FDD in another format that is more convenient. To discuss the availability of this FDD in different formats, contact the KENNEDY'S Franchise Administration Department at: 1 East Main Street, Northborough, MA 01532. Telephone:
508-393-4282.

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 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," can help you to understand how to use this Disclosure Document and is available from the Federal Trade Commission (FTC). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at: 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. You can call your state agency or visit his or her 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 22, 2020

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 D or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 KENNEDY's Barber Club 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 KENNEDY's Barber Club franchisee?	Item 20 or Exhibit D or Exhibit E 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*

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

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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.

<u>When your franchise ends</u>. 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 C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in Massachusetts. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Massachusetts than in your own state.

2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.

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.

Table of Contents

Item 1: The Franchisor, and any Parents, Predecessors and Affiliates

The franchisor, KENNEDY'S International Franchising, LLC (hereinafter, "we," "us," "our," or "Franchisor") is a Florida Limited Liability Company formed June 3, 2008. The business address and phone number are 11 Apex Drive, Suite 300A, Marlborough, Massachusetts 01752 at 508-393-4282. The primary email address is info@kennedysbarberclub.com.

"You" or "your" refers to the franchisee, which is the person or entity to whom we grant a franchise (also referred to as, "Franchisee"). You, and if you are married, your spouse must sign a personal guaranty. If the Franchisee is an entity, then each principal of the Franchisee ("Principal") and each Principal's spouse must sign a personal guaranty. Our form of personal guaranty is attached to this Disclosure Document as Exhibit "I".

The principal business addresses of Franchisor's Agents for Service of Process in each state is shown on Exhibit "C".

The Franchise We Offer

Franchisor franchises businesses that operate KENNEDY'S Clubs for men's haircuts and grooming. Franchisor has no other business activities.

We offer Franchisees the right to operate a KENNEDY'S Barber Club® offering men's haircuts, shaves, massages, and grooming supplies ("Club"). We do not conduct business in any other line of business nor do we offer franchises in any other line of business.

Franchisor

We use the names KENNEDY'S™, KENNEDY'S Barber Club® and KENNEDY'S All-American Barber Club® to conduct business. We began offering upscale barber and grooming services franchises in September 2008. Neither we nor our affiliates currently offer franchises in any line of business other than KENNEDY'S; however, from 2008 through 2013, we did offer regional developer agreements for development of a minimum number of Clubs in a specified geographical area ("Development Agreements"). While we do not currently offer such Development Agreements, several of these agreements are still in place. We have not conducted business in any other line of business, nor have we offered franchises in other line of business.

Parents, Predecessors and Affiliates

Our parent company since March of 2015 is Firmitas Entrepreneurial Development Inc. ("Firmitas), a Massachusetts corporation organized on May 14, 2012. The principal business address of Firmitas is 11 Apex Drive, Suite 300A, Marlborough, Massachusetts 01752.

We have no predecessor company or active affiliates.

Market and Competition

The market for Franchisee's services consists of members of the general public seeking men's barber and grooming services. Sales are not seasonal. The market is very well developed and highly competitive. You will compete with other barbershops and salons, some serving just men and some serving men and women.

Laws and Regulations

Barbers must be licensed by the state they work in and each business is subject to state and federal regulations regarding employees. Some states also require a separate license for individuals who give massages and shaves.

You must comply with federal, state and local health regulations concerning barber services and shaving, licensing, permits, and various other local, state and federal laws concerning consumers and the sale of certain products.

We do not have any predecessors during the ten-year period immediately before the close of our most recent fiscal year.

Item 2: Business Experience

CEO/President: Jay Hummer

Jay Hummer became our President and Chief Executive Officer in March of 2015. Jay is also Founder and President of our parent company, Firmitas of Shrewsbury, MA, since May of 2012. Prior to founding Firmitas, Jay served as Executive Vice President and Regional Director of RE/MAX of New England, where he worked from September of 1995 through April of 2012.

Vice President of Human Resources: Helen Hummer

Helen Hummer became the Vice President of Human Resources in March of 2015. Since January of 2015 to present, Helen has been a Development Agent for Whole Hog Café, Inc. In addition, since October of 2014 to the present, Helen has been a Development Agent for Native Grill & Wings Franchising. She has also been a Development Agent for MOOYAH Burgers, Fries and Shakes since June of 2014 to the present. Finally, she served as Vice President of Firmitas Brands in Shrewsbury, MA from May of 2012 to the present. In the past she also worked for various non-profit organizations.

Item 3: Litigation

Litigation Against Franchisees during the prior ten-year period immediately preceding the close of our most recent fiscal year.

KENNEDY'S International Franchising, Inc. v. Ridgefield Club Associates, Inc., et. al. (Case No. 13-CA-1375-15-W), was filed in the Circuit Court, Seminole County, Florida. On March 18, 2013, Franchisor initiated a lawsuit against a franchisee, a master licensee and their principals for damages and injunctive relief for breach of contract (non-payment of fees and royalties); trademark infringement, dilution and misappropriation; misappropriation of proprietary information; deceptive and unfair trade practices, unfair competition and false advertising; breach of implied covenant of food faith and fair dealing; interference with business relationships; fraud and fraudulent misrepresentation; unjust enrichment; accounting; and enforcement of restrictive covenants.

In April of 2013, the parties engaged in mediation which resulted in a settlement of the dispute, and the parties have agreed to continue their relationships with each other.

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

Item 4: Bankruptcy

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

Item 5: Initial Fees

You will pay an Initial Franchise Fee of $39,000. You must pay the Initial Franchise Fee in full on the date you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

We will charge you a development fee ("Development Fee") when you sign the Multi-Unit Development Agreement, in an amount as follows:

Number of Outlets to Develop	Development Fee	Fee Per Outlet
2	$75,000	$37,500
3	$95,000	$31,666.66
4	$115,000	$28,500
5	$145,000	$27,000

The Development Fee is fully earned by us and due in lump sum when you sign the Development Agreement. The Development Fee is not refundable under any circumstance. We will grant you a Fee Per Outlet credit against the Initial Franchise Fee payable for each Franchise Agreement you sign for each Kennedy's outlet you are to develop under the Multi-Unit Development Agreement.

You will also be required to purchase an initial inventory of branded grooming products from us, ranging between $943 and $1,886. Your purchase of initial inventory of branded grooming products is not refundable under any circumstance.

Item 6: Other Fees

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Everywhere except as noted in Note 2:	Paid as a percentage of Gross Receipts as defined in (Note 1)	Payable the 1st of each month	Payable to and collected by Franchisor.
Continuing Royalty In the following states/areas: NJ, NY, TX, Southern CA, CT:	$595.00 per chair with 5-6 chair minimum depending on surrounding population density (Note 2)	Payable the 1st of each month	Payable to and collected by master licensee.
National Advertising Fund[3]	Currently 2% of Gross Receipts. Not to exceed 3% of Gross Receipts	5th of each month.	Payable to Franchisor. See Note 3, below. (Also See Item 11)
POS System[4]	$150 - $185 per month	Monthly, as required by vendor	Paid to vendor
Additional Training[5]	A reasonable fee for all System training programs. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 5.

Grooming products, signs, wall memorabilia, new products and supplies	Currently, $1,300-$2,385 for initial inventory.	Initial, 21 days prior to anticipated soft opening. Replaced as needed.	For required products that Franchisee must carry in their club, Franchisor will negotiate the best contract using volume discounts and require Franchisee to buy the product at cost plus any shipping cost.
Interest and late payment fee.	18% per annum or the maximum rate allowed by law whichever is less. Late payment fee. Five (5%) percent of amount due.	When we request.	Franchisee must pay interest on any past due amounts to Franchisor. Late payment fee charged on any fee due that is late.
Renewal	$19,500	Before Franchisor signs renewal agreement.	See Item 17.
Transfer	$5,000	Before Franchisor approves the transfer.	See Item 17.

(1) Gross Receipts are defined as all revenues and income from any source derived, invoiced or received, by you from, through, by or on account of the operation of the Franchised Business whether invoiced only or received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. It does not include any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax. The ongoing Royalty Fee shall be defined as a percentage of Gross Receipts beginning at 6% of Gross Receipts. Franchisee shall be required to provide full membership data, including current membership, cancelled membership, and new memberships sold on the 1st of each month.

(2) Connecticut, New Jersey, New York, Texas and Southern California are subject to a master license agreement with Main Street America Advisors, LLC, and are operated under a different royalty structure. Subject to a 6-chair minimum in markets with 50,000 or more total population within a 5-mile radius of Club location; 5 chairs minimum in markets with less than 50,000 total population within a 5-mile radius of Club location.

(3) Franchises in existence prior to April 10, 2015, may not be required to contribute to the National Advertising Fund during the unexpired balance of the initial term of their Franchise Agreement. Such Franchisees are required to contribute upon renewal and

execution of the then-current form of Franchise Agreement.

(4) Includes credit card processing system (not including per transaction processing fees), on-line booking, some business analytics.

(5) We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at a national business meeting or annual convention, for up to five (5) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

Except where otherwise specified, all the fees in this table are assessed uniformly by Franchisor and are paid by Franchisee directly to Franchisor. No fees are refunded.

Item 7: Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

Category of Investment	Amount	Method Of Payment	When Due	To Whom Paid
Franchise Fee	$39,000	Lump Sum.	At signing of Franchise Agreement	Franchisor
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, electronic/computer equipment and decorating costs	$66,000 to $150,000	Purchase or Lease.	As supplier or landlord requires	Suppliers, Landlord.
Grand Opening Marketing	$10,000 250 free haircuts and shaves (See Note 3)	Lump sum	Grand opening only	Payable to third party vendors and customers.
Travel and Living expenses while training	$2,000 to $5,000	As incurred	As incurred	Airlines, hotels, restaurants, etc
Signs	$3,000 to $5,000	Lump sum	Prior to opening	3rd party vendor
Inventory to begin operating	$1,300 to $2,385	As needed	As needed	Franchisor and/or Suppliers

Category of Investment	Amount	Method Of Payment	When Due	To Whom Paid
Real estate security deposits, utility deposits, business licenses, and other prepaid expenses	$6,250 to $15,000 (See Notes 1 & 2)	As landlord or agency requires	As landlord or agency Requires	Landlord or Agency
Uniforms for Employees	$750 to $1,200	As supplier requires	As supplier requires	Supplier
Utilities	$500 to $1,200	Check	Monthly	Supplier
Insurance (annual premium)	$2,000 to $3,000	As agent requires	Before opening	Insurance Agent
Additional funds 3-6 months (See Note 4)	$30,000 to $50,000	Cash or Check	Payroll weekly, other expenses according to agreed-upon terms	Employee, supplier of goods and services
TOTAL	$160,800 to $281,285 excluding real property if purchased			

Unless otherwise stated, none of the expenses described in this chart are refundable.

1. Real Estate. Typical locations are expected to be leased in commercial strip centers. Franchisee should plan One Thousand (1,000) to a maximum of One Thousand Eight Hundred (1,800) square feet for your shop depending on the number of barbers and massage therapists Franchisee employs. Rent is estimated at $25/sq. ft. to $60/sq. ft. depending on the location in the country and in Franchisee's city. In certain areas of the country, Franchisees may experience significantly higher rental rates. Three months' rent is allocated in the "Additional Funds" column. Cost of purchased real estate is not in these calculations because purchasing real estate would be outside the norm for this type of franchise. Tenant build-out is variable based on space needs.

2. Depending on the space Franchisee selects for their club, the build-out may be extensive or minimal. Leasehold Improvements and remodeling may be included as part of the lease package, and if not, landlords will frequently finance all or part of the build-out in the lease. Franchisee is permitted to purchase used furnishings in excellent condition and to lease equipment. This will significantly reduce your expenses in this category.

3. The "Grand Opening Marketing" is the amount Franchisee must spend for the actual opening of the club.

4. Inventory to Begin Operating. Note that $943 - $1,886 is paid to Franchisor for initial inventory of branded grooming products.

5. The estimate of additional funds for the initial phase of Franchisee's business is

based on staff salaries, operating expenses and rent for the first three months of operation. It is based on our experiences and those of our former affiliates when opening and operating various company and affiliate operations, as well as limited data collected from franchisees. This estimate does not include an owner's salary or draw.

We relied upon the experience of our former affiliates to compile these estimates. Franchisee should review these figures carefully with a business or franchise advisor before making a decision. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your business. Your additional costs will vary by area; how much you follow our methods or procedures, your own management skill experience and business acumen; the relative effectiveness of your staff; local economic conditions; the local market for services and products; the prevailing wage rate; competition, and sales levels reached during the initial period.

We do not offer direct or indirect financing to franchisees for any items included in this section.

All fees are nonrefundable unless otherwise stated or permitted by payee.

Item 8: Restrictions on Sources of Products and Services

At the present time, we have a selection of proprietary grooming products that each Franchisee is required to carry in its Club. The initial cost for this inventory is shown in Item 6 and Item 7 above. For all other required products that Franchisee must carry in the Club, we will negotiate, when possible, the best contract using volume discounts.

You are also required to purchase products on an ongoing basis to maintain the inventory of products as needed. Inventory management training is part of the training provided by us. You must purchase the required branded and non-branded products from our approved suppliers. These products may include, Kennedy's branded shave & grooming products. In addition to the inventory of KENNEDY'S products you are required to maintain, you are also required to purchase other supplies required to operate the barbering business in accordance with the brand and the applicable industry laws, such as cleaning supplies, shampoo, Barbicide®, and towels.

You will be required to purchase a computer and point of purchase software.

Currently there are no other items for which we or our affiliates are approved suppliers or the only approved suppliers. None of our officers or directors own an interest in a product supplier.

In 2019, we received no revenue from required leases or purchases made by our franchisees. We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

These required purchases are approximately one percent (1%) of your total purchases of goods and services in establishing and operating Franchisee's franchise.

We will provide you with written specifications governing the minimum standards of certain products, services or equipment you procure from unrelated third parties. We may modify the specifications in writing later and may add new specifications in writing. You may purchase these items from any supplier whose product, service or equipment meets our specifications.

We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. If we name a supplier for a product or service, you may, with prior approval, contract with an alternative supplier if the product they supply is the same. To obtain our written approval for the alternative supplier, you must submit a written request to us, for approval of the supplier and the supplier must meet our product specifications to our reasonable satisfaction. We may test, at your expense, the product or service of any supplier you propose. We will give you notice of approval or disapproval within three (3) to six (6) weeks, depending on the nature of the product or service. If we revoke approval of any supplier, we will give you written notice.

There are no purchasing or distribution cooperatives. There are no supply contracts at this time.

With the exception of the KENNEDY'S branded grooming products mentioned above, there are currently no other branded products or required suppliers that you must purchase from. Suggested brands for products will be in the Operations Manual.

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 the obligations in these agreements and in other items of this disclosure document.

Obligation	Section In Agreement		FDD Item
a. Site selection and acquisition/lease	Section 3.4 of Franchise Agreement, Exhibit 1	Not Applicable	Items 6 and 11
b. Pre-opening purchases/ leases	Article 8 of Franchise Agreement	Not Applicable	Items 6 and 8
c. Site development Training and other pre-opening requirements	Article 3, 7, 8 of Franchise Agreement	Article 5	Item 11
d. Initial and ongoing training	Article 7 of Franchise Agreement	Not Applicable	Item 11
e. Opening	Article 3 and 4 of Franchise Agreement	Not Applicable	Item 11
f. Fees	Articles 4, 5, Section 8.3, 8.14 and, 9 of Franchise Agreement	Article 4	Items 5 and 6

Obligation	Section In Agreement		FDD Item
g. Compliance with standards and policies/Operating Manual	Articles 2,3,6,7 and 8 of Franchise Agreement	Not Applicable	Items 7, 8, 11, 15, and 16
h. Trademarks and proprietary information	Section 1.13 and Article 6 of Franchise Agreement	Not Applicable	Items 13 and 14
i. Restrictions on products/ services offered	Articles 2, 3, 8 and 9 of Franchise Agreement	Not Applicable	Items 6, 8, 11, and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable	Item 16
k. Territorial development and sales quotas	Not Applicable	Article 5	Item 12
l. Ongoing products/service purchases	Article 8 of Franchise Agreement	Not Applicable	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Section 3.2 of Franchise Agreement	Not Applicable	Items 7 and 11
n. Insurance	Section 8.11 of Franchise Agreement	Not Applicable	Item 6
o. Advertising	Article 4.3 of Franchise Agreement	Not Applicable	Item 11
p. Indemnification	Section 13.2 of Franchise Agreement	Article 9	Item 6
q. Owner's participation/ management/ staffing	Sections 8.1 of Franchise Agreement	Not Applicable	Item 15
r. Records and reports	Sections 8.2 and 8.12 of Franchise Agreement	Not Applicable	Item 6
s. Inspections and audits	Sections 8.12 and 8.13 of Franchise Agreement	Not Applicable	Item 6
t. Transfer	Article 9 of Franchise Agreement	Article 6	Item 17

Obligation	Section In Agreement		FDD Item
u. Renewal	Section 5.2 of Franchise Agreement	Not Applicable	Item 17
v. Post-termination obligations	Article 11 and 12 of Franchise Agreement	Section 7.4	Item 17
w. Non-competition covenants	Article 8.16 of Franchise Agreement, Exhibit 6	Article 8	Item 17
x. Dispute resolution	Article 11 of Franchise Agreement	Article 10	Item 17
y. Other Guaranty of Franchisee obligation (See Note 1)	Exhibit 7	Not Applicable	Item 17

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, KENNEDY'S is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open a KENNEDY'S Club, we will:

(1) Designate your Trade Area (Franchise Agreement, Section 2.1 and Exhibit 1). Should there be an existing KENNEDY'S Area Developer or Master Licensee in your area, they shall be a party to Trade Area designation.

(2) Approve or disapprove a site for your KENNEDY'S Club location. We do not currently own sites for leasing to Franchisees. You select the site for Club location in your Trade Area. We approve or disapprove proposed site (Franchise Agreement, Sections 3.1, 3.2, 3.4, 3.5). Should there be an existing KENNEDY'S Area Developer or Master Licensee in your area, they shall be a party to site approval/disapproval.

We have thirty (30) days from your written proposal to approve or disapprove any site proposed. We disapprove sites in writing. If you cannot find a suitable location within one-hundred and twenty (120) days following the date the Franchise Agreement is executed, we may terminate the Franchise Agreement. There is no refund of the Initial Franchise Fee (Franchise Agreement, Section 3.1).

We consider the following factors in approving sites: size of your Trade Area, market potential, estimated volume of your business, general location, neighborhood, nearness of customers, Club visibility, co-tenants, attractiveness, size of the space, age and condition of the shopping center or building, location and convenience of entrances, availability of parking, availability of location and necessary zoning, location of competitors, expected overhead, lease terms, and traffic patterns.

(3) Review your final plans and specifications for the KENNEDY'S Club promptly and approve or provide comments on the plans and specifications submitted. We will provide you with the names of designated or approved suppliers for construction in the area, if we have them. We will provide specifications for items of the design, construction, furniture, fixtures, equipment, and decoration of the Club. We do not deliver or install any of these items (Franchise Agreement, Sections 3.1, 3.2). Should there be an existing KENNEDY'S Area Developer or Master Licensee in your area, they shall be a party to Club design, review of plans and specifications, and order/installation of all furniture, fixtures, and equipment.

(4) Approve or disapprove all signs, posters and displays in writing before installation or display. We provide you with the names of designated or approved suppliers, if we have them, or makes specifications for these items, however, we do not deliver or install any of these items (Franchise Agreement, Section 3.3).

(5) Loan you a copy of the Confidential Operation Manual (the "Manual"). You must strictly comply with the Manual in operating the business. We may change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement (Franchise Agreement, Section 3.3, 8.3).

[See below in this Item 11 for the Table of Contents of the Manual as of the date of this disclosure document].

(6) Furnish you with any written specifications for required products and services. Except for proprietary products, we and our affiliates do not deliver or install any of these items (Franchise Agreement, Section 8.1 to 8.7).

(7) Sell you our proprietary products (Franchise Agreement, Section 8.4, 8.5).

(8) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within ten (10) business days of receipt. If we does not respond within ten (10) business days, the material is approved (Franchise Agreement, Section 4.3). Should there be an existing KENNEDY'S Area Developer or Master Licensee in your area, they shall be a party to approval of all advertising within your Trade Area.

(9) Suggest prices for your products and services. Any schedule of prices contains only suggestions. You need not accept any of our advice about prices (Franchise Agreement, Section 8.1).

Time to Open

You must open your KENNEDY'S Club within three hundred sixty (360) days after we execute your Franchise Agreement. We estimate that the typical length of time between the execution of the Franchise Agreement and the opening of the KENNEDY'S Club is six (6) to nine (9) months. Factors affecting time to open include obtaining a satisfactory Club location, attendance at and satisfactory completion of our Initial Training Program, arranging for any financing, construction, complying with local ordinances and permitting, completing delivery and installation of equipment and signs, and procuring opening inventory. If you have not opened your Franchised Business within three hundred sixty (360) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Section 3.1).

Obligations after Opening

During the operation of the franchised business, we will:

(1) Furnish you with those field support services we consider advisable to provide support and resolve operating problems you may encounter (See Franchise Agreement, Section 7.1, 7.4).

(2) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within ten (10) business days of receipt. If we do not respond within ten (10) business days, the material is approved (Franchise Agreement, Section 4.3). Should there be an existing Kennedy's Area Developer or Master Licensee in your area, they shall be a party to approval of all advertising within your Trade Area.

(3) Provide you with specific marketing alternatives. (Franchise Agreement, Section 4.3).

(4) Furnish you with any specifications for required products and services (Franchise Agreement, Section 8.1, 8.7).

(5) Suggest prices for your services. Any schedule of prices contains only suggestions. You need not accept our advice about prices (Franchise Agreement, Section 8.1).

(6) Continue to sell you our proprietary products (Franchise Agreement, Section 8.4, 8.5).

Advertising

Advertising and Marketing Programs

National Advertising Fund.

We may initiate a National Advertising Fund. If and when one is established, You will be required to contribute up to two percent (2%) of your monthly Gross Sales to the National Advertising Fund. An executive council selected by KIF ("Executive Ad Council" or "EAC") will direct all programs financed by the National Advertising Fund, with sole control over the creative concepts, materials and endorsements, and the geographic, market, media placement and allocation and any Internet or intranet websites, networks or communities it operates or participates in, or which requires your participation. The EAC will be chosen at our sole discretion and will not be required to consist of any franchisees. There is currently no advertising council of franchisees to advise us on ad policies. If and when we have company and affiliate-owned outlets, they will be required to contribute to the National Advertising Fund in the same manner as franchised outlets.

The initial intended use of the National Advertising Fund is to hire creative sources to produce brochures and related materials for franchisees. In the future, we reserve the right to also use the National Advertising fund for the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; engaging one or more public relations firms or conducting our own public relations campaigns; market research; and other advertising and marketing activities, including participating at trade shows. Marketing may be placed in local, regional, national or international media of our choice, including but not limited to print, direct mail, radio, television or Internet. We do not guarantee that advertising expenditures from the National Advertising Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

The National Advertising Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. In such event, it will furnish multiple copies of such materials to you at its direct cost of producing them, plus any related shipping, handling and storage charges. Because we do not have this fund audited, audited financial statements are not available to franchisees. We will provide an annual unaudited accounting for the National Advertising Fund that shows how the National Advertising Fund proceeds have been spent for the previous year upon written request.

The National Advertising Fund will be administered by us or designees, in our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Advertising Fund will be in a separate bank account, commercial account or savings account. Your contribution to the National Advertising Fund will be in addition to any other advertising requirements set out in this Item 11.

We may spend, on behalf of the National Advertising Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Clubs to the National Advertising Fund in that year, and the National Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the National Advertising Fund will be used to pay advertising costs before other assets of the National Advertising Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the National Advertising Fund and furnish the statements to you upon written request.

We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the National Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing.

We reserve the right to defer or reduce contributions of a franchisee and, upon 30 days written notice, to reduce or suspend contributions to and operations of the National Advertising Fund for one (1) or more periods of any length and to terminate (and, if terminated, to reinstate) the National Advertising Fund. If the National Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the National Advertising Fund during the preceding 12-month period. (See Section 4.3 of the Franchise Agreement).

As the National Advertising Fund has was not collecting funds during our prior fiscal year, we cannot provide any information about collections or expenditures to date. Such information will be provided in the in future versions of this document, issued 120 or more days after the fiscal year in which the fund becomes active.

You have no obligation to participate in a local or regional advertising cooperative.

Other Advertising Information

You may also develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within ten (10) business days after receiving the proposed advertising material, the material is approved.

You may not have your own Website on the Internet. All advertising on the Internet will be done on the KENNEDY'S main page and you will be given a listing for your Trade Area.

We have no obligation to conduct advertising on our own but intend to do so in search of potential Franchisees. Coverage for this media placement will primarily be national or target to a specific local area where we are looking for a franchisee or franchisees.

Electronic Point of Sale System

Before the commencement of operation of the franchised Club, you must purchase the required computer hardware, software, Internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the "Point of Sale System"). You must obtain high-speed broadband internet access for the Point of Sale System. You must also maintain a functioning email address for the business.

Our current Point of Sale System uses cloud-based MindBody® management software, which will require a recent, high-quality Windows®, Android® or iOS® tablet device. MindBody® will provide initial training to you as needed during the Initial Franchise Training ("IFT") period.

You provide maintenance on the Point of Sale System hardware. We or our authorized vendors will provide maintenance to the software required to run the franchise only.

The Point of Sale System provides general point of sale functions as well as member database management, marketing, etc. You shall purchase and pay for this system, including the hardware and software, training, ongoing subscription fees, etc. at your sole cost. The estimated cost of the Point of Sale System is $150 to $185 per month, plus the initial cost of the tablet device.

The Point of Sale System allows us to independently and remotely access all of your data, including your Gross Receipts, through the Internet. We may in the future establish or modify the sales reporting systems as we deem appropriate for the accurate and expeditious reporting of Gross Receipts, and you must fully cooperate in implementing any such system at your expense. We will have unlimited electronic access to the information generated by and stored in your Point of Sale System. There are no contractual limitations on our right to have full access to this information. We may retrieve, download, analyze and store such information and data at any time. We own all customer data stored in your Point of Sale System.

We have no obligation to maintain, repair, update or upgrade your computer and software.

At your cost, you must provide on-going maintenance and repairs to your computer and software. There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. You must upgrade your computer hardware and software as necessary to operate the most current version of the Point of Sale System. This may require you to purchase a new tablet device and/or personal computer every two to four years. Currently, these upgrades would cost approximately $750 to $1,500 every two to four years.

Table of Contents of Operating Manual

The Operating Manual is 248 pages. The following is the Table of Contents of our Operating Manual as of the date of this FDD:

Topic	Number of Pages
Overview and Introduction	1-14
Human Resources	15-45
Training	46-64
Management Training	65-85
Position Training	86-94
New Club Opening Training	95-109
Associate Handbook	110-139
Human Resources Forms and Checklists	140-169
Service Training	170-189
Management Procedures and Checklists	190-226
Management and Supervision	227-248
Total Pages	**248**

Training

After you obtain the Club location and at least four (4) weeks before the opening of the KENNEDY'S Club, we will train you and up to one (1) other person as follows:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Welcome and introduction to KENNEDY'S system	3	0	Northborough, MA
Employee management, hiring and training	3	0	Northborough, MA

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Marketing, Human Recourses, Recruiting and Training	3	0	Northborough, MA
Membership Sales Training	10	0	West Hartford, CT
POS & Technology Training	5	5	West Hartford, CT
Sanitation, security and safety	1	1	Northborough, MA
Maintenance and repair of equipment	1	1	Northborough, MA
Barber shop introduction and Operating Procedures	1	2	West Hartford, CT
Training of the KENNEDY'S method of Customer care	2	2	Northborough, MA
Equipment, troubleshooting and maintenance	1	1	Northborough, MA
Inventory, ordering and receiving	1	1	Northborough, MA
Shaving instruction	2	2	Northborough, MA
Reporting requirements	½ hour	0	Northborough, MA
Club opening and closing	½ hour	½ hour	Northborough, MA

We conduct the Initial Training Program approximately six (6) times a year (or more frequently, if needed). The instructional materials consist of The Operations Manual, DVDs, checklists, demonstrations, practices, quizzes, and extensive sales training.

Jay Hummer, our President and CEO, will oversee all aspects of the training program, which will include participation from the current management of the West Hartford, CT Club and our marketing and POS vendor partners. Jay is our President and Chief Executive Officer, a position he has held since March of 2015.

The Initial Training Program is mandatory for you (if the you are an individual). The Initial Franchise fee includes the cost of the Initial Training Program for two (2) people, including you (if the franchisee is an individual) and your manager or other involved individual. You must complete the program, and we have, at our sole discretion, to make the determination of whether you has satisfactorily met the training and operational requirements in order to open the club for business or if additional training should need to be completed prior to the club's soft opening. We shall provide written notice to you upon completion of the IFT as to whether additional training shall be required for you, Club Manager, or associated staff members.

Any Managers you appoint after the opening of your initial training must attend and successfully complete Franchisor's next scheduled Initial Training Program. Franchisee should plan to attend the training as soon as practical after executing the Franchise Agreement, but Franchisee must complete prior to opening the Club.

We may periodically conduct an annual conference, convention or training session, and if we do, we will determine its duration, curriculum and location. Currently, there is no fee assessed for such annual conference or convention, this is subject to increases up to $500 per attendee. You (if an individual) and your Manager must attend at least one annual conference, convention or training session per year.

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, salaries, transportation costs, meals, lodging and other living expenses (Franchise Agreement, Section 7.01 to 7.04).

There are no required refresher courses unless we determine that you require refresher course because of poor financial performance, consistent complaints being received by us from members/patrons of your business, or other operational deficiencies that we may observe during periodic quality control/assurance site visits.

Item 12: Territory

We will grant you the right to establish and operate one (1) KENNEDY'S Club outlet in a limited protected territory within a trade area ("Trade Area"). The Trade Area will consist of the Club location and a surrounding area with a maximum population of 50,000. The size of the Trade Area will be determined based on several factors including population and demographics. The specific address of the Club location will be attached to the Franchise Agreement along with a map and/or a description of the Trade Area. As long as you remain in good standing under the Franchise Agreement, we will not open another KENNEDY'S Club in the Trade Area or permit anyone else to do so.

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

We retain all sales rights for branded products and services on a website, through the Internet, or by any other means other than within your Club.

You may not solicit or advertise outside of your Trade Area through any medium or individual, directly or indirectly, for the purpose of acquiring additional or new Kennedy business or sales. You may accept and perform services for unsolicited walk- ins at any time.

You may not relocate the KENNEDY'S Club without our written approval, and that may be denied in our sole discretion.

We may consider granting you the right to establish additional Clubs under further Franchise Agreements if you are in compliance with the Franchise Agreement and Operations Manual, and you propose to open the Clubs in areas and at sites which we approve, however, we have no obligation to do so. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional Franchises within the Trade Area or contiguous territories.

There is no minimum sales quota. Continuation of your limited protection in the Trade Area does not depend on your achieving a certain sales volume, market penetration or other contingency. We cannot modify your territorial rights for any reason without mutual agreement.

We reserve all rights not expressly granted in the Franchise Agreement. For example, We or our affiliates may own, operate or authorize others to own a KENNEDY'S Club or any other businesses outside your Trade Area and may operate other kinds business under other trademarks within your Trade Area. We and our affiliates may conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Trademarks.

We (and our affiliates) may not sell products or services under the KENNEDY'S Trademarks or other Trademarks within your Trade Area through any method of distribution.

We have not established and do not intend to establish any other franchised or company-owned outlets offering similar services or goods under a different trademark anywhere in the United States, but we reserve the right to do so.

Item 13: Trademarks

The principal KENNEDY'S trademark that we will license to you appears on the cover of this FDD.

As used in this FDD and Franchisor's Franchise Agreement, the term "Trademarks" includes Franchisor's Trademarks, service marks, trade names, logos and commercial symbols and also includes Franchisor's copyrighted materials and other intellectual property. The principal Trademarks include those that Franchisee will use to identify the franchised business.

The following is a description of the Trademarks which Franchisor will license to Franchisee, including our Principal Trademark:

USPTO Registration Number	Description of Mark	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date
5227670	KENNEDY'S BARBER CLUB	Principal Register	June 20, 2017
3656951	KENNEDY'S All-American Barber Club	Principal Register	July 21, 2009

There are presently no effective determinations of the United States Patent and Trademark Office ("USPTO"), any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding involving any of the above-referenced Trademarks. There are no currently effective agreements that significantly limit Franchisor's rights to use or license the use of the Trademarks listed in this section in a manner material to the Franchise. There are no infringing uses or superior previous rights known to Franchisor that can materially affect Franchisee's use of the Trademarks in Franchisee's state or any other state in which the franchised business is to be located.

There is no pending material federal or state court litigation regarding Franchisor's use or ownership rights in any Trademark. No registered trademark has been renewed, as no renewal has become due. All required affidavits have been filed.

We have the right to control any administrative proceedings or litigation involving a Trademark licensed by us to you. If you learn of any claim against itself for alleged infringement, unfair competition, or similar claims about the Trademarks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Trademarks. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Trademarks in violation of the Franchise Agreement.

If you learn that any third party, whom you believe is not authorized to use the Trademarks, is using the Trademarks or any variant of the Trademarks, you must promptly notify us. We will determine whether or not we wishes to take any action against the third party, however, the Franchise Agreement does not require us to do so. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

Item 14: Patents, Copyrights and Proprietary Information

Patents and Copyrights

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms of advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Franchise Agreement and Confidential Operating Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of Franchisor's copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

We have the right to control any administrative proceedings or litigation involving a copyright licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the copyrights, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the copyrights. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the copyrights in violation of the Franchise Agreement.

If you learn that any third party, whom you believe is not authorized to use the copyright, is using it, you must promptly notify us. We will determine whether we wish to take any action against the third party, but the Franchise Agreement does not require us to do so. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

Confidential Information

You may never, during Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information and trade secrets to another person or use it for any other person or business except as authorized under your Franchise Agreement. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you must sign Franchisor's Confidentiality/Non-Competition Agreement (Exhibit 6 to the Franchise Agreement).

Our confidential information will include products, services, equipment, technologies and procedures relating to the operation of the KENNEDY'S systems of operation, programs, policies, pricing standards, techniques, requirements and specifications which are part of the Kennedy's System, the Operations Manual, records of customers and billing, methods of marketing and advertising, instructional materials and other matters.

Item 15: Obligation to Participate in the Actual Operation of the Franchise Business

At least one principal or an appointed General Manager must be actively involved in the business. Franchisee must employ a full-time person to supervise and manage the operation of Franchisee's franchised business, unless Franchisor permits otherwise in writing. Franchisee must devote the necessary time, and best efforts for the proper and effective operation of the business. If Franchisor licenses Franchisee to operate more than one Club, Franchisee, or an appointed General Manager, must devote his or her entire time during normal business hours to the management operation and development of each franchised business and cannot engage in any other business activity requiring his or her participation during normal business hours unless otherwise agreed to by Franchisor.

If Franchisee is an owner or operator, Franchisee must either serve as or designate a full-time on-premise Manager for Franchisee's Club. An absentee owner Franchisee must designate an individual Manager. The Manager, who will have day-to-day management responsibility for Franchisee's KENNEDY'S Club, will exercise on-premises supervision and personally participate in the direct operation of the Club. Franchisor must approve Franchisee's Club Manager and General Manager, if Franchisee has more than one Club. Franchisee's Club Manager and General Manager must complete the Initial Training Program to Franchisor's satisfaction.

Neither your General Manager nor any on-premise Manager is required to possess an equity interest in the franchised business.

Your Club Manager and General Manager, all other managerial employees and any other persons to whom you grant access to confidential information must sign our Confidentiality/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 7.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 5.

Item 16: Restrictions on What the Franchise May Sell

Franchisee must offer and sell all products and services, which are part of the KENNEDY'S System, and all services and products Franchisor incorporates into the KENNEDY'S System in the future. Franchisee may not use the name or Trademarks for any other business.
Franchisee may not conduct any business from Franchisee's Club without Franchisor's previous written consent.

Franchisor may add to, delete from, or modify the products and services which Franchisee can and must offer. Franchisee must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase Franchisee's obligations under the Franchise Agreement.

Franchisee may only sell KENNEDY'S products and services at retail, and Franchisee may not engage in the wholesale sale and/or distribution of any product, service, equipment or other component.

Item 17: Renewal, Termination, Transfer and Dispute Resolution

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.

THE FRANCHISE RELATIONSHIP

Provisions	Section in Franchise Agreement	Summary
a. Length of the Franchise	Section 5.1	10 years
b. Renewal or extension of the term	Section 5.2	Franchisee may sign renewal agreements for terms of ten (10) years each if Franchisor is franchising in this state and Franchisee must notify Franchisor one hundred and eighty (180) days before expiration and comply with conditions.

Provisions	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 5.2	Franchisee must: ***a.*** Be in full compliance with the current agreement. ***b.*** Have satisfied all monetary obligations. ***c.*** Update the Club to current standards in the current Franchise Agreement and Operating Agreement. ***d.*** Complete any required training. ***e.*** Renew Franchisee's Club lease. ***f.*** Pay Franchisor a renewal fee of $19,500. ***g.*** Sign a General Release (in the form of Exhibit 4 to the Franchise Agreement). Franchisee may be asked to sign a contract with materially different terms and conditions than Franchisee's original contract, but the boundaries of the Franchise Territory will remain the same, and the Continuing Royalty on renewal will not be greater than the Continuing Royalty that Franchisor then imposes on similarly-situated renewing Franchisees.
d. Termination by Franchisee	Article 10	***a.*** Franchisee must terminate the Franchise Agreement if Franchisee and Franchisor agree in writing. ***b.*** If Franchisee fails to pay any financial obligation to Franchisor, after notice and an opportunity to cure said obligation, Franchisee will be in breach of the Franchise Agreement. Franchisor can then use any remedies available, including termination of the Franchise Agreement.
e. Termination by franchisor without cause	None	You may seek termination upon any grounds available by state law.
f. Termination by franchisor with cause	Article 10	Franchisor may terminate only if Franchisee defaults in this section. The Franchise Agreement describes defaults throughout (please read it carefully).
g. "Cause defined"- curable defaults	Article 10	Franchisee has seven (7) days to cure, if Franchisee does not comply with any Franchise Agreement provision. (Except for non-curable defaults listed in Franchise Agreement and described in h. below).

Provisions	Section in Franchise Agreement	Summary
h. "Cause defined"-non-curable defaults	Section 3.1, Article 10	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy, abandonment, knowingly not reporting income or inaccurate income, violation of the transfer provisions, defaults in a material obligation twice in twelve (12) months, defaults in obligation to permit Franchisor to examine Franchisee's books, re-identifies Club under another name or mark. On notice to Franchisee: a. Franchisee does not open the Club within one hundred and eighty (180) days following effective date or cease to operate or abandon the Club. b. Franchisee does not start operating the Club within one hundred and twenty (120) days of signing a lease. c. Franchisee is convicted of a felony, fraud, etc. d. Franchisee conceals revenues, knowingly maintains false records, or submits false reports. e. Franchisee does not cure a default which materially impairs the goodwill of Trademarks within seventy-two (72) hours' notice. f. After curing a default, Franchisee commits the same default again within twelve (12) months. g. Franchisee does not purchase or maintain required insurance. h. Franchisee fails to perform a material provision of a lease or sublease on the Club. i. Franchisee's actions or lack of actions will result in an immediate danger to public health or safety. j. Franchisee fails to deliver any required reports. n. Franchisee closes or relocates the Club without complying with the Agreement. k. Franchisee fails to maintain independent contractor status. l. Franchisee commits an act or permits an act to be committed that violates local, state, or federal law.

Provisions	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination/ nonrenewal	Article 12	a. Pay all you owe to Franchisor, affiliates and third parties. b. Stop using Franchisor's Trademarks, confidential information, trade secrets, and the Manual. c. Cancel assumed name registration which contains Franchisor's Trademarks. d. Deliver to Franchisor all confidential information, the Manual and items with Trademarks. e. Stop using telephone numbers listed in directories using Franchisor's Trademarks. Assign all telephone numbers. f. De-identify the Club. g. Dispose of stationary and letterhead. h. Stop advertising. i. Comply with Non-Compete, Non-Disclosure, and Non-Disparagement Agreements. j. Refrain from indicating prior association with Franchisor. k. Return all confidential information, trade secrets, copyrighted information, and training materials. l. Remove all signs carrying Franchisor's Trademarks. m. Return the Operations Manual. n. Honor Franchisor's right to purchase inventory, equipment and furnishings.
j. Assignment of contract by Franchisor	Section 9.1	Franchisor may assign if the assignee is financially responsible, economically capable of performing Franchisor's obligations, and agrees to perform them.
k. "Transfer" by Franchisee- definition	Section 9.2	Any assignment, transfer, sub-franchise, sub-license or sale of Agreement, substantially all of the assets or of rights and privileges of the Franchisee
l. Franchisor's approval of transfer by Franchisee	Section 9.2	No transfer without written approval and subject to right of first refusal by Franchisor

Provisions	Section in Franchise Agreement	Summary
m. Conditions for Franchisor approval of transfer.	Section 9.2	a. Transferee must apply to Franchisor and demonstrate qualifications necessary to conduct business, including financial resources. b. Transferee and proposed Manager must successfully complete Initial Training Program at Transferee's expense. c. Franchisee must pay Franchisor a Transfer Fee of $5,000. d. Franchisee must have cured all defaults and paid all you owe Franchisor and affiliates. e. Transferee must sign new Franchise Agreement which may contain different terms. Term of new Franchise Agreement expires on expiration date of Franchisee's Franchise Agreement. f. Signing of guarantees by Transferee. g. Franchisee and owners must sign a General Release Form (Exhibit 7 to the Franchise Agreement). h. Signing of required Confidentiality/Non-Competition Agreements. i. Franchisee must give Franchisor a copy of proposed Assignment contract. Franchisor must approve it, and Franchisee must give Franchisor a copy of signed contract. j. Assignee must agree to assume all obligations of Franchisee's. k. Pay a Sales Fee if the sale occurs between the first (1^{st}) and twelfth (12^{th}) month of operation.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 9.3	Franchisor has the right to match any offer to purchase Franchisee's business.
o. Franchisor's option to purchase Franchisee's business	None	Not Applicable. Franchisor is not obligated by the Franchise Agreement to do so, however, if the Franchise is terminated, Franchisor may buy back inventory, equipment, and fixtures from Franchisee's location at fair market value. Franchisor may change this policy at any time.
p. Death or disability of Franchisee	Section 9.6	On Franchisee's death or disability, Franchisee's rights pass to Franchisee's "Estate". Franchisee's Estate may continue operating the Club if it provides an acceptable Manager. The Manager must successfully complete Franchisor's next Initial Training Program.
q. Non-competition covenants during the term of the Franchise	Section 8.16	No involvement in competing business within twenty-five (25) miles of Franchisee's Franchise Territory or any other KENNEDY'S Club.

Provisions	Section in Franchise Agreement	Summary
r. Non-competition covenants after the Franchise is terminated or expires	Section 8.16	No competing business for two (2) years within twenty-five (25) miles of Franchisee's Territory or any other KENNEDY'S Club.
s. Modification of the Agreement	Section 14.1	Modifications must be in writing and signed by all parties, however, Franchisor may change the Operations Manual. Any Manual changes will not unreasonably increase Franchisee's obligations in the Franchise Agreement.
t. Integration/ merger clause	Section 14.1 and Article 15	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 11	Requires mandatory mediation and settlement conferences, mandatory arbitration after mediation, and list of certain disputes not subject to arbitration. Also requires individual action, prohibits class actions, and limits damages, with venue in Massachusetts which could increase Franchisee's cost. The choice of law is Massachusetts.
v. Choice of forum	Section 11.6	Commonwealth of Massachusetts (subject to applicable state law).
w. Choice of law	Section 11.4	Massachusetts law applies (subject to applicable state law)

THE FRANCHISE RELATIONSHIP
(UNDER THE MULTI-UNIT DEVELOPMENT AGREEMENT)

This table lists certain important provisions of the multi-unit development agreement. You should read these provisions in the agreement attached to this disclosure document.

	Provision	Section in Multi-Unit Development Agreement	Summary
a.	Length of the franchise term	Art. 4	As determined by you and us based on the number of Kennedy's outlets you are to develop.
b.	Renewal or extension of the Term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	You may seek termination upon any grounds available by state law.

	Provision	Section in Multi-Unit Development Agreement	Summary
e.	Termination by franchisor without cause	Section 6.6	The Multi-Unit Development Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Development Rights are transferred within 6 months to a replacement developer that we approve.
f.	Termination by franchisor with cause	Article 7	We may terminate only if you default. The Multi-Unit Development Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Multi-Unit Development Agreement and described in h. immediately below).
h.	“Cause” defined - non-curable defaults	Sections 7.1 and 7.2	The Multi-Unit Development Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Multi-Unit Development Agreement upon notice to you if you: misrepresent or omit a material fact in applying for the Development Rights; falsify any report to us; fail to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of your Kennedy’s outlets, including, but not limited to, the failure to pay taxes; fail to develop the Kennedy’s outlets in accordance with the Mandatory Development Schedule; attempt a transfer in violation of the Franchise Agreement; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; fail to comply with non-competition covenants; default, or your affiliate defaults, under any other agreement, including any Franchise Agreement, with us or any of our affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement; or terminate the Multi-Unit Development Agreement without cause.

	Provision	Section in Multi-Unit Development Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Section 7.4	Upon termination, you must: cease all development operations and comply with the non-disclosure and non-competition covenants.
j.	Assignment of contract by franchisor	Section 6.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 6.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Multi-Unit Development Agreement or Development Rights.
l.	Franchisor approval of transfer by franchisee	Sections 6.2, 6.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying developers; you have paid us all amounts owed; transferee signs our then-current form of Multi-Unit Development Agreement, which may have materially different terms from your Multi-Unit Development Agreement; you and the transferee sign a General Release in the form of Attachment 8 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; our approval of the material terms and conditions of the transfer; payment of a transfer fee equal to 50% of the then-current initial franchise fee or 25% of the then-current initial franchise fee for transfer to an existing developer or franchisee in good standing, or $2,000 for transfers among owners or $2,500 for a transfer to a spouse, parent or child upon death or permanent disability.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 6.5	You must promptly notify us of any written offer to purchase your Development Rights. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Section 6.6	The Multi-Unit Development Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Development Rights are transferred within 6 months to a replacement developer that we approve.

	Provision	Section in Multi-Unit Development Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 8.3.1	You may not: divert, or attempt to divert, customers of any Kennedy's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 8.3.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Kennedy's outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within twenty-five (25) miles of your former Kennedy's outlet location or any other Kennedy's outlet location (franchised or company owned); do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Section 12.4	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 12.4	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, and post-termination obligations.
v.	Choice of forum	Section 10.5	Massachusetts, subject to applicable state law.
w.	Choice of law	Section 10.5	Massachusetts law applies, subject to applicable state law.

Item 18: Public Figures

Franchisor does not use a public figure in the promotion of KENNEDY'S.

Item 19: Financial Performance Representations

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

This Item 19 contains a historic representation based on the past performance of our franchisees in 2019. The following table shows the Gross Revenues of 9 of our 13 franchisees with full-year operations for Fiscal Year 2019, from January 1 – December 31. We excluded 3 franchisees that have not reported their sales numbers to us, as they are under a different royalty structure that does not require us to have access to their sales numbers (see Item 6 for areas where this royalty structure is applicable). We have also excluded 1 franchisee who opened for business during calendar year 2019 and has not operated for a full 12 months.

Gross Revenue[1] 2019[2]

1	$681,593.87
2	$408,281.82
3	$384,719.00
4	$354,101.65
5	$319,432.31
6	$299,458.83
7	$259,491.00
8	$256,813.00
9	$248,157.00

[1] Gross Revenue means all revenue from sales of products and services at or from outlet operations, less (i) sales tax (ii) refunds to customers and (iii) discounts.

[2] This information has not been audited.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, 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 Jay Hummer at (508) 393-4282, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information

Table No. 1
System-wide Outlet Summary for Years 2017 to 2019

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2017	10	12	+2
	2018	12	12	0
	2019	12	13	+1
*Company-Owned**	2017	**0**	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	10	12	+2
	2018	12	12	0
	2019	12	13	+1

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2017 to 2019

State	Year	Transfers
Florida	2017	1
	2018	0
	2019	0
Totals	2017	1
	2018	0
	2019	0

Table No. 3
Status of Franchised Outlets
For Years 2017 to 2019

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
Florida	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Connecticut	2017	6	1	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
New Jersey	2017	1	1	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	0	3
Totals	2017	10	2	0	0	0	0	12
	2018	12	0	0	0	0	0	12
	2019	12	1	0	0	0	0	13

Table No. 4
Status of Company-Owned
Outlets for Years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of The Year
Connecticut*	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Total	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2019

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Connecticut	1	1	0
Florida	1	1	0
Massachusetts	2	1	0
New Jersey	0	1	0
New York	8	0	0
Totals	**12**	**4**	**0**

Exhibit D lists the names of all current Franchises and the addresses and telephone numbers of their Clubs as of December 31, 2019. Exhibit D also lists all Franchise Agreements signed but outlet not opened as of December 31, 2019.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during Franchisor's most recently completed fiscal year or who has not communicated with Franchisor within ten (10) weeks of the issuance date of this document.

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

During the last three fiscal years, Franchisor has not signed confidentiality clauses with current or former Franchisees. Franchisee may wish to speak with current and former Franchisees but be aware that not all such Franchisees will be able to communicate with you.

There is no trademark-specific franchisee organization associated with the KENNEDY'S Franchise system being offered which Franchisor has created, sponsored or endorsed.

Item 21: Financial Statements

Exhibit B contains our audited balance sheets as of December 31, 2019 and the related statements of operations and member's equity and cash flows for the period from January 1, 2017 through December 31, 2019, and the related notes to the financial statements.

Our fiscal year end is December 31.

Item 22: Contracts

Copies of all proposed Agreements regarding the Franchise offering are included in the Exhibits that follow: A. These include Franchisor's Franchise Agreement and all Exhibits to it (Franchised Territory, Option Agreement, Software License Agreement, Confidentiality/Non-Competition Agreement, Releases, and Guaranty).

Item 23: Receipts

You will find copies of a detachable receipt in Exhibit G at the end of the disclosure document.

Exhibit A
To Disclosure Document

Franchise Agreement

Kennedy's International Franchising, LLC
Franchise Agreement

TABLE OF CONTENTS:

LIST OF ATTACHMENTS TO FRANCHISE AGREEMENT:

Kennedy's International Franchising, LLC Franchise Agreement

This Franchise Agreement ("Agreement") (the "Agreement") is entered into this day of ___ ____________, (the "Effective Date") by and between Kennedy's International Franchising, LLC, a Florida limited liability company whose principal business address is 11 Apex Drive, Suite 300A, Marlborough, Massachusetts 01752 (hereinafter "Franchisor") and ______________ ____________________________________, a(n) ___________________________________ ______________________________, with its principal place of business located at___________ ______________________________ and _____________________________'s principals ___ ________________________, an individual residing at __________________________________ ______ and _________________________, an individual residing at _____________________ ________________________ ("Principal(s)"). _____________________________ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee". Franchisor and Franchisee may be referred to hereinafter collectively as the "Parties" and individually as a "Party."

BACKGROUND

WHEREAS, as a result of its expenditure of time, skill, effort and money, Franchisor has developed and will supervise the Kennedy's System for operating a men's barber and grooming club using Trademarks and proprietary operating methods as described in this Agreement and Franchisor's "Operations Manual" as amended from time to time, and

WHEREAS, Franchisor is the owner of the Marks and all rights in respect thereof. Franchisor is engaged in the administration and development of programs for the operation of retail men's barber shop and grooming among other related products (collectively, "Products"), using the Marks, operational techniques, service concepts, membership programs, and proprietary information owned or authorized to be used by and identified with Franchisor. Franchisor's activities in general, and its programs including but not limited to readily recognized color schemes; fixtures and furniture; distinctive interior and exterior; equipment and operations; designs and layouts for the franchise premises; specialized marketing, specialty retail items and promotional activities; unique uniforms, and signs in particular, are undertaken to develop, maintain and enhance the Marks and Franchisor's reputation in its business, and

WHEREAS, Franchisee desires to be franchised and licensed by Franchisor to use the System, Marks and goodwill of Franchisor to conduct the "Franchise Business" (as defined in Article I hereof) at a specific Franchise Location selected by Franchisee and consented to by Franchisor (the "Club"). Franchisor is willing to grant to Franchisee a "Franchise" and license, in accordance with the provisions of this Agreement and the Operations Manual, for the term set forth below, and

WHEREAS, Franchisee and each Principal acknowledge that, in the administration of this Agreement and in taking actions with respect to its relationship with Franchisee, Franchisor must take into account the needs of the System, the effect upon the System as a whole, and the need to protect the Marks for the benefit of the System, and

WHEREAS, Kennedy's has acquired unique experience, special skills, techniques and knowledge in the field of marketing and developing Men's Barber Clubs using a membership-based business model, and

WHEREAS Kennedy's, at great expense, has developed a successful system of operating its membership-based Barber Clubs and developed a Franchise System of marketing and training ("System"), and

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as set out below.

ARTICLE 1
Definitions

1.1 **Abandoned**. The term "Abandoned" shall mean closure of the business for a period of five (5) consecutive days without Franchisor's prior written consent. A repeated pattern of five (5) or more closures of the business for periods of less than five (5) consecutive days may result in the business being deemed Abandoned if, in the sole and exclusive judgment of Franchisor, such closure adversely impacts the Franchise Business. The business shall not be deemed Abandoned if the closure is due to natural disasters or other matters beyond the control of Franchisee (other than Franchisee's inability to make money), provided that Franchisee gives notice of any such closure to Franchisor within ten (10) days after the initial occurrence of the event resulting in such closure and Franchisee acknowledges in writing that such closure is due to one of the foregoing causes and that Franchisee shall reestablish the Franchise Business and be fully operational within sixty (60) days after the initial occurrence of the event resulting in such closure or such longer period as Franchisor may permit.

1.2 **Affiliate.** The term used to describe a franchisee when acting in a commissioned only basis for certain products developed by the Franchisor and marketed directly to members through the national data base.

1.3 **Anniversary Year.** The term "Anniversary Year" shall mean the twelve (12) month period between the Effective Date and the first anniversary thereof and between each succeeding anniversary thereafter.

1.4 **Business Name.** The term "Business Name" shall mean the name under which Franchisee does business.

1.5 **Control.** The term "Control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.6 **Depository Account.** The term "Depository Account" shall mean any and all accounts opened and maintained by Franchisee at a bank or other financial institution that is a participating member of the Automated Clearinghouse ("ACH") network or such other network or system as may be directed by Franchisor, from which Franchisor may make electronic withdrawal of sums due under this Agreement.

1.7 **Franchise Agreement** shall mean whatever agreement which Kennedy's, from time to time, shall use to license franchises and sub-franchises.

1.8 **Franchise Disclosure Document(s)** means the legally required documents which are presented to prospective buyers of franchises in the pre-sale disclosure process.

1.9 **Franchise Fee(s)** shall mean the fees paid for the right to operate a

Kennedy Franchise.

1.10 **Intellectual Property** shall mean (i) “Kennedy’s All-American Barber Club®”, “Kennedy’s Barber Club®”, as well as any and all of the U.S. and foreign: (i) trademarks, service marks, trade dress, trade names, corporate names, logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing) and Internet domain names, together with all goodwill associated with each of the foregoing; (ii) patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice) and any reissue, continuation, continuation-in-part, division, extension or reexamination thereof; (iii) copyrights and copyrightable works; and (iv) registrations, applications and renewals for any of the foregoing.

1.11 **Proprietary Information** shall mean information relating to all aspects of Kennedy’s financial, technical, legal or other information or data, financial condition, trade secrets, databases and techniques; information relating to existing, previous, and potential suppliers, partners, clients, customers, or any combination of them, products or services, product or service specifications or strategies, and reasons for rejecting, discontinuing or developing new products or services, business, development, marketing or sales plans, operations, techniques, and strategies, pricing or sales information, contracts, internal management or procedures, any disputes (legal or otherwise) with third parties; discoveries, ideas, concepts, equipment, software, databases, source code, systems, improvements, network configurations, network capacities, network capabilities, designs, technology, technical documentation, inventions, applications, methodologies, accounts, account activity, computer software (whether in source code or in object code versions), hardware, new or novel ideas, inventions, concepts and other know-how relating to the business of Kennedy’s.

1.12 **Royalty** shall mean the ongoing monthly payment required for each franchisee.

1.13 **Franchise Business.** The term "Franchise Business" shall mean the sale of Services and Products pursuant to the business method and certain business procedures set forth by Franchisor for the operation of the business.

1.14 **Franchise Location or Club Location.** The terms “Franchise Location” or “Club Location” shall mean that specific location which houses the Franchise Business.

1.15 **General Manager.** The term "General Manager” shall mean an individual Franchisee or the employee or agent of Franchisee who has been designated by Franchisee as the person responsible for the day-to-day operation of the Franchise Business and who has successfully completed the "Initial Franchise Training" ("IFT”), if required pursuant to this Agreement.

1.16 **Gross Receipts**. The term "Gross Receipts" shall mean all cash and charge sales of every kind and nature made at or from the franchise business, including but not limited to revenues from services, grooming and retail products, information products, trainings, dietary supplements, vending machines, internet terminals, and any other electronic or mechanical devices (if permitted), excluding only applicable sales taxes.

1.17 **Initial Franchise Training (or IFT).** The term "Initial Franchise Training" (or "IFT') shall mean training in the System provided by Franchisor, as described in this Agreement.

1.18 **Marks.** The term "Marks" shall mean any and all proprietary mark registered or filed to be registered, in respect of which a registration has been obtained from the United States

Patent and Trademark Office and any state, as well as all common law trademarks and service marks, trade names, logos, insignias, designs, slogans and other commercial symbols which Franchisor now or hereafter is authorized to use, does use or authorizes others to use to identify the Franchise Business.

1.19 **Materials.** The term “Materials” shall mean those items depicted as art work, graphics, layout, slogans, names, titles, branding features, and texts, in any form of printed or online marketing, scripting or communication which shall reflect on the Franchisor.

1.20 **Member.** The term “Member” is used to designate a customer of Franchisee.

1.21 **Operations Manual.** The term "Operations Manual” shall mean the manual or manuals whether in physical or digital form containing policies and procedures to be adhered to by Franchisee in performing under this Agreement, which Operations Manual shall include all amendments and supplements thereto provided to Franchisee from time to time.

1.22 **System.** The term "System" shall mean a comprehensive marketing and operational system prescribed by Franchisor to be used in the conduct of the Franchise Business, as set forth in this Agreement and the Operations Manual, as amended from time to time. The System shall include, but not limited to: (i) the Marks, (ii) know-how of the Franchise Business Operation, (iii) a physical layout for the business, (iv) advertising, marketing and sales programs and techniques, (v) training programs, (vi) materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that Franchisor makes available to Franchisee, (vii) product design, packaging, equipment and proprietary systems, and (viii) trade dress of the franchise premise. Franchisor, in its sole discretion, may improve or change the System from time to time (including but not limited to adding to, deleting or modifying elements of the System, establishing categories or classifications of franchisees and amending the Operations Manual) for the intended purpose of making the System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the System; and better serving the public.

1.23 **Products and/or Services.** The terms “Products and/or Services shall mean those products and services offered to Master Licensee by Kennedy’s to be sold in the Territory under this Agreement. Services shall also encompass such items that may be manufactured by third parties and approved by Kennedy’s for use.

1.24 **Trade Area**. The term "Trade Area" shall mean the area within a defined radius of the Franchise Location as set forth in section 2.1 of this Agreement.

1.25 **Transfer.** The term "Transfer" shall mean to sell, assign, transfer, convey, pledge, mortgage, encumber, abandon, eliminate or give away, voluntarily or involuntarily, by operation of law or otherwise.

ARTICLE 2
The Franchise Business

2.1 **Grant of Franchise.** Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, a license and franchise ("Franchise") to participate in and use the System by conducting the Franchise Business at the Club Location within a limited trade area (“Trade Area”). The Trade Area shall consist of the Club Location and a surrounding area. The size of the Trade Area will be determined based on several factors, including population and demographics. The specific address of the Club Location will be attached as Attachment 2 to this Agreement along with a map and description of the Trade Area. So long as Franchisee remains in good standing under this Agreement, neither Franchisor nor Franchisee will open itself, or through any affiliate or franchisee, any other KENNEDY'S Barber Club within the Trade Area provided, however, that Franchisor may operate a KENNEDY'S Barber Club or sell Products and Services through major public venue such as airports, arenas, hotels, cruise ships or similar public venues even within the Trade Area and with no geographical limit. Franchisee acknowledges that the Franchisor has granted and may in the future operate or grant other licenses and franchises outside the Trade Area. Franchisor retains all sales rights for Products and Services on any website, through the internet or by any means other than within Location Club.

FRANCHISEE SHALL NOT PERSONALLY OR AS PART OF A GROUP OR ENTITY USE THE MARKS (AS DEFINED HEREIN), OPERATIONAL TECHNIQUES, SERVICE CONCEPTS OR PROPRIETARY INFORMATION IN CONNECTION WITH OTHER BUSINESSES OR SERVICES WITHOUT THE EXPRESS PRIOR WRITTEN PERMISSION OF THE FRANCHISOR WHICH PERMISSION, IF GRANTED, SHALL BRING SUCH BUSINESSES OR SERVICES WITHIN THE SCOPE OF THE FRANCHISE BUSINESS AND THIS AGREEMENT.

2.2 **Reserved Rights.** Nothing contained herein shall give Franchisee any right, title or interest in or to the Marks, System, operational techniques, service concepts, proprietary information or goodwill of Franchisor, except such rights as are expressly granted hereunder. **THE FRANCHISE APPLIES TO FRANCHISEE'S SINGLE LOCATION AND NO OTHER LOCATIONS OF BUSINESS.**

2.3 **Area and Scope of Operation.** Franchisee shall only operate its Franchise Business from the approved Franchise Location. Franchisee shall (i) diligently and effectively promote, market, and engage in the Franchise Business; (ii) develop, to the best of its ability, the potential for the Franchise Business from its approved Franchise Location, and (iii) devote and focus its attentions and efforts to such promotion and development.

2.4 **Extent of Grant**. Franchisee understands and agrees that the Franchise and license granted herein shall not apply to, and Franchisee shall not conduct or permit any others to conduct, any retail or wholesale business operations of any kind from the Franchise Location, unless permitted by Franchisor in writing, and that Franchisee is licensed hereby only for the operation of a retail franchise business to be operated in accordance with this Agreement and only from the approved Franchise.

2.5 **Affiliate Appointment.** Franchisor retains all direct marketing rights for Products and Services sold to Members. These rights include but are not limited to, offers sent to Members for Products and Services offered by direct mail, email, and other promotional means whereby the Members purchase from the Franchisor. Franchisor appoints Franchisee as an "Affiliate" for sales made to Members of Franchise and will pay Franchisee an Affiliate commission on sales to those Members. Commission amounts will be listed in the Franchise Operating Manuals as products and services are developed, added and modified.

ARTICLE 3
Location of Business

3.1 **KENNEDY'S Franchise Business**

a. The Franchise Business shall only be operated from the Franchise Location in order to promote the orderly and timely service of its Franchise Members.

b. The premises acceptable to Franchisor from which the Franchise Business will be operated must be located by Franchisee within two hundred forty (240) days after execution of this Agreement. Franchisee must commence operation of the Franchise Business at the Franchise Location within one-hundred twenty (120) days after execution of a signed lease for the location. If Franchisee fails to find suitable premises for the Franchise Business or to commence operation of the Franchise within the specified time periods, Franchisor may terminate this Agreement effective on written notice, in accordance with this Agreement and Franchisee shall not be entitled to a refund of its Franchise Fee. Franchisee shall be deemed to have commenced the operation of the Franchise on the date that Franchisee begins offering products and services for sale from the Franchise Location furnished and equipped in accordance with Franchisor's requirements.

c. A Site Submittal Package must be submitted and reviewed by Franchisor and Master Licensee (if applicable) before any lease for the premises is executed. Franchisor may assist Franchisee in the site selection process with Franchisor reserving the right of final consent to any location. If the Franchisor does not deny the site location within thirty (30) days, it shall be deemed approved. Franchisor encourages, but does not require, Franchisee to use third party demographic information to help Franchisee evaluate the site and the area in which it is located, and analyze area income figures, traffic patterns, visibility, population density, competition, zoning, parking, accessibility and other related, relevant circumstances. Franchisor's final consent to the site is not a Guaranty that a KENNEDY'S franchise can be successfully operated at that location. Franchisee is fully responsible for the selection of the site and accepts the risk associated with the site selection relative to the success of the Franchise.

d. Franchisee is encouraged, at its own expense, to retain a Realtor or attorney skilled in retail leases to ensure necessary lease assignment and other addenda as are incorporated into the lease prior to its submission to Franchisor for review and consent.

3.2 **Design and Construction of Retail Space.**

a. Franchisor will provide Franchisee with specifications for design, construction, furniture, fixtures, equipment and decoration of the club. At its sole expense, Franchisee must employ approved architects, designers and others as may be necessary to complete, adapt, modify or substitute the specifications for the location. Franchisee shall submit a complete set of final plans and specifications to Franchisor prior to commencing construction built out for the franchise space. Franchisor shall review such plans and specifications promptly and approve or provide comments on the plans and specifications to Franchisee. Franchisee shall not commence construction until Franchisor approves in writing the final plans and specifications to be used. Franchisor shall consult with Franchisee, to the extent it deems necessary, on the construction and equipping of the franchise space (this must be done by approved suppliers), but it shall be and remain Franchisee's sole responsibility to diligently construct, equip and otherwise ready and open the Club. At its sole expense, Franchisee is responsible for obtaining all zoning classifications, licenses, permits, and clearances, certificates of occupancy and center clearances which may be required by governmental authorities.

b. Franchisee shall use licensed general contractors to perform construction work at the Franchise Location. Franchisor expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors, equipment vendors or any other persons or entities to which it may refer Franchisee. Franchisor or Master Licensee (if applicable) shall not be responsible for delays in the construction, equipping or decoration of the Club or for any loss resulting from the design or construction since neither Franchisor nor Master Licensee has control over the landlord or developer and numerous construction or related problems that could occur and delay the opening of Franchisee's Location. Franchisor must approve in writing any and all changes in the plans prior to construction of the Club or the implementation of such changes.

c. Franchisor shall have access to the location while work is in progress and may require such reasonable alterations to or modifications in the construction of the Club, as Franchisor deems necessary. Franchisee's failure to promptly commence the design, construction, equipping and opening of the Club with due diligence shall be grounds for the termination of this Agreement. In addition, if Franchisee does not complete the build out of the Club in a reasonable time, Franchisor can complete the build out, all expenses of which shall be paid or reimbursed by Franchisee. Before opening of the Club and prior to final inspections by any governmental agency, Franchisor shall complete a final "walk through" inspection of the Club and issue a written approval. Any deficiencies noted by Franchisor as a result of this inspection must be corrected by Franchisee within thirty (30) days or this Agreement may be terminated without any liability to Franchisor.

d. At Franchisor's request, but not more often than once every seven (7) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Club to conform to the then-current building design, trade dress, and color schemes for a new Franchise Location. Such refurbishment may require expenditures by Franchisee of among other things, structural changes, installing new equipment, remodeling, redecoration and modifications to existing improvements.

3.3 **Standards of Operation.**

a. Franchisee agrees that Franchisor, Franchisee, and the KENNEDY'S Franchise System as a whole, will benefit from the maintenance of reasonable standards of quality, similar appearance, and prominent display of the Marks on the franchise premises, trade dress, packaging, Materials, supplies and products used in the operation of the Franchise. Therefore, Franchisee agrees to maintain the standards of quality, appearance and display of the Marks in strict accordance with this Agreement, the architectural plans and the Operations Manual as it may be revised from time to time, and as Franchisor may otherwise direct in writing. In order that Franchisor may establish and maintain an effective network of franchisees for the sale of authorized products, Franchisee specifically agrees that it shall not display the Marks nor, either directly or indirectly, establish any place or places of business for the conduct of any of its Franchise operations without the prior written approval of Franchisor.

b. Franchisee is not permitted to install promotional displays, vending machines, or any other electronic or mechanical devices at the Franchise Location, except with written approval of Franchisor, and subject to further conditions as to the number and appearance of such devices, and their consistency with the operation, image, and reputation of the KENNEDY'S Franchise.

3.4 **Assistance in Obtaining KENNEDY'S Premises**. The sole responsibility for locating and obtaining a KENNEDY'S Franchise Location is that of Franchisee. Franchisee and Franchisee's landlord will be required to execute an acceptable form of Lease Assignment Agreement (a sample form is attached as Attachment 3 hereto) for the Franchise Location. The term of the Lease Assignment Agreement shall coincide with the term of this Agreement. It is Franchisee's obligation to maintain, refinish, redecorate and re-equip the Club Location in accordance with the Operations Manual, as it may be amended from time to time, and standards established by Franchisor consistent with that manual.

3.5 **Signs.** Subject to applicable governmental ordinances, regulations and statutes, Franchisee agrees to erect and maintain at the Franchise Location, entirely at Franchisee's expense, standard authorized signs of types recommended by Franchisor. In addition, Franchisee shall prominently display on all forms, advertising, literature and business cards the following words: "Independently Owned and Operated." Franchisee is required to post signs and logos as reasonably requested by Franchisor. Franchisee may order its sign from a vendor or their choosing including a recommended vendor of Franchisor. The Franchisor may receive a fee from recommended vendors for its referral to Franchisee.

3.6 **Permission to Relocate.** If Franchisee desires to relocate its Club, it must request Franchisor's consent upon the following conditions:

a. Not less than one-hundred eighty (180) days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation, in which event notice shall be made as soon as possible), Franchisee must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details regarding any proposed new location.

b. Within sixty (60) days after receiving Franchisee's request, Franchisor shall either consent to or deny in writing such closure or relocation in its sole discretion. In the event of the denial of a proposed relocation, Franchisee may request an alternative proposed new location.

ARTICLE 4
Payments of Franchisee

4.1 **Franchise Fee.** The Franchise Fee is Thirty-Nine Thousand Dollars ($39,000) and is due and payable in full, by check or wire transfer payable to Franchisor, when Franchisee executed the Franchise Agreement. The Franchise Fee is not refundable.

4.2 **Royalty Fee.**

a. Commencing on the first month of club operation, a royalty is due to Franchisor in the amount of 6% of Gross Receipts. Royalty payments, along with complete membership information are due the 1st day of each month.
b. Royalty payments are payable as directed by franchisor, whether via certified check, ACH, wire transfer or other form of electronic payment. Failure to report accurate information as it relates to membership shall be grounds for immediate termination of this Agreement. Franchisee shall execute an EFT Authorization in the attached hereto as Attachment 10 to this Agreement.

4.3 National Advertising Fund.

a. Franchisor may establish a system-wide advertising fund (the "National Advertising Fund" or "NAF"). Said National Advertising Fund shall be managed by a council ("National Ad Council" or "NAC") consisting of individuals selected by Franchisor at its sole discretion. National Ad Council shall administer NAF and deploy NAF resources for such advertising, marketing and public relations programs and materials it deems necessary or appropriate in its sole discretion. Franchisee agrees to contribute to the National Advertising Fund, two percent (2%) of its monthly Gross Sales (except as described below), payable in the same manner as the Royalty. Franchisor has the right to periodically specify (in the Operations Manual or otherwise in writing) different payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check for the NAF contribution. Franchisor reserves the right to adjust Franchisee's National Advertising Fund contributions annually, however such contributions shall not exceed three percent (3%) of Franchisee's Gross Sales in any given month. The National Advertising Fund will be operated by the NAC or its designee in accordance with the terms of this Agreement and the National Advertising Fund policies. Franchisor reserves the right to charge a separate fee for the development, hosting and maintenance of Internet and Intranet Websites. Franchisor reserves the right to defer or reduce contributions of a KIF franchisee and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the National Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the National Advertising Fund. If the National Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to Franchisees in proportion to their respective contributions to the National Advertising Fund during the preceding 12-month period. Franchisor's affiliates will contribute to the National Advertising Fund on the same basis as franchise owners for any Clubs they own and operate.

b. Franchisee shall spend a minimum of Ten Thousand Dollars ($10,000) in cash and two hundred fifty (250) free haircuts and razor shaves for a KENNEDY'S Franchise grand opening promotion developed by Franchisor.

c. Franchisee may advertise or market on their own. However, all advertising or marketing materials must be approved by Franchisor prior to use. If Franchisor does not respond within ten (10) days to a proposed ad or marketing piece, the material shall be approved.

4.4 **Interest on Delinquent Payments.** All delinquent payments of any sums due Franchisor shall bear interest at the rate of eighteen (18%) per annum, calculated daily for each day of delinquency, or the highest amount under state law whichever is less.

4.5 **No Accord or Satisfaction.** If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt shall be applied against the earliest amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

4.6 **MSA Addendum.** Franchisee's whose Club Location is will be located in an area subject to a certain Successor Master License Agreement ("SMLA") between the Franchisor and Main Street America Advisors, Inc. will be required to execute and will be subject to the provisions of the MSA Addendum ("MSA Addendum"), attached hereto as Attachment 11 to this Agreement. The MSA Addendum alters certain terms of this Article 4, including Sections 4.1 and 4.2. The following areas are subject to the SMLA:

a. The State of Connecticut in its entirety (excluding purchasers of existing Franchise Businesses which were in existence prior to October 29, 2015;

b. The State of New York in its entirety;

c. The State of New Jersey in its entirety;

d. The State of Texas in its entirety; and

e. The following areas within the State of California:

   (1) Imperial County in its entirety;

   (2) San Diego County in its entirety;

   (3) Riverside County in its entirety;

   (4) Santa Barbara County in its entirety;

   (5) Ventura County in its entirety;

   (6) Los Angeles County in its entirety;

   (7) Orange County in its entirety;

   (8) San Bernadino County, south of Interstate 40 and south of State Rte. 58

ARTICLE 5
Term

5.1 **Initial Term.** The Initial Term of this Agreement shall commence on the Effective Date and expire ten (10) years from that date.

5.2 **Additional Term.**

a. Subject to the terms and conditions contained in this Agreement, Franchisee shall have the right to extend its Franchise relationship for additional ten (10) year terms, upon the following conditions:

(1) Franchisee shall request from Franchisor within one-hundred eighty (180) days prior to the termination of its Initial Term, or any subsequent term, a copy of its then current Franchise Agreement and related Franchise Disclosure Document.

(2) No later than thirty (30) days after Franchisee receives the then current Franchise Disclosure Document and Franchise Agreement. Franchisee shall execute and return two (2) copies of the then current Franchise Agreement. Upon receipt, Franchisor shall execute two (2) copies thereof and return one (1) copy to Franchisee. If Franchisee fails or refuses to execute and return to Franchisor the new Franchise Agreement within the time frame set forth, all of Franchisee's rights and options to enter into an additional Franchise term shall expire.

(3) Franchisee shall pay an additional term fee of Nineteen Thousand Five Hundred Dollars ($19,500) at the time of its execution of the then current Franchise Agreement.

(4) Executed a general release form regarding the current business relationship under the existing Franchise Agreement.

b. If Franchisor determines not to grant an additional term to Franchisee because of a default by Franchisee which is incurable or has not been cured by Franchisee within the applicable time period, or in the event of failure of Franchisee to fully perform its obligations under the Agreement, then and in such event, Franchisor shall give Franchisee notice of its intention not to grant an additional term. Such notice shall be given: (i) within the minimum time required by the state in which the Franchise Location is located, or (ii) in the absence of such specific period, within thirty (30) days after Franchisee gives its notice of intention to enter into an agreement for an additional term, but not less than ninety (90) days prior to the termination date of the Agreement.

c. Subsequent to the execution by Franchisee of a Franchise Agreement for an additional term, and prior to the effective date of the new Franchise Agreement, Franchisee shall bring each Franchise Location into compliance with the standards then applicable to new Franchises.

If applicable law requires that Franchisor give a longer period of notice to

Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis only until Franchisee has received such required additional notice.

ARTICLE 6
Proprietary Marks

6.1 **Franchise.** Franchisor hereby grants to Franchisee the right during the term hereof to use and display the Marks in accordance with the provisions contained herein, and in the Operations Manual, solely in connection with the operation of the Franchise Business. Franchisee acknowledges that Franchisor prescribes minimum standards respecting the nature and quality of the goods and services used by Franchisee in connection with which the Marks are used. Franchisee agrees to be responsible for and supervise all of its employees and agents in order to insure the proper use of the Marks in compliance with this Agreement. Franchisee shall use the Marks solely in connection with the Franchise Business and shall not use or display the Marks in connection with the operation of any other business, the performance of any other service or the conduct of any other retail business or other activity outside the scope of the Franchise Business. The Marks cannot be used in any other manner without the prior written consent of Franchisor. Franchisee agrees that all of Franchisee's use of the Marks under this Agreement inures to the benefit of Franchisor. Nothing herein shall give Franchisee any right, title or interest in or to any of the Marks, except a mere privilege and license during the term hereof, to display and use the same strictly according to the limitations provided in this Agreement and the Operations Manual. Franchisee may only use the Marks on the Internet in the manner and as specifically authorized by Franchisor in this Agreement and in the Operations Manual or otherwise in writing. Franchisee agrees that all art work, trade dress, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with the Marks which may be created by Franchisee, its employees, agents and subcontractors and any other party with whom it may contract to have such Materials produced pursuant to this Agreement, shall become the sole property of Franchisor, including copyright and trademark rights, and Franchisee agrees on behalf of itself, its employees, its agents, its subcontractors and any other party with whom it may contract to have such materials produced, to promptly execute any and all appropriate documents in this regard. Franchisee agrees to join with Franchisor in any application to enter Franchisee as a registered or permitted user, or the like, of the Marks if required by any appropriate governmental agency or entity. Upon termination of this Agreement for any reason whatsoever, Franchisor may immediately apply to cancel Franchisee's status as a registered or permitted user and Franchisee shall consent in writing to the cancellation and shall join in any cancellation petition. The expense of any of the foregoing recording activities shall be borne by Franchisee.

6.2 **Acts in Derogation of the Marks and Trade Secrets.**

a. Franchisee agrees that as between Franchisor and Franchisee, the Marks are the exclusive property of Franchisor. Franchisee asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of Franchisee's franchise or licensed use thereof or otherwise. It is expressly understood and agreed that ownership and title of the Marks and Franchisor's manuals, bulletins, instruction sheets, forms, methods of operation and goodwill, all existing products and all future new product developments are and, as between Franchisor and Franchisee, shall remain vested solely in Franchisor, and the use thereof is coextensive only with the term of this Agreement. Franchisee acknowledges that the material and information now and hereafter provided and revealed to Franchisee pursuant to this Agreement (including in particular, but without limitation, the contents of the Operations Manual) are confidential trade secrets of Franchisor and are revealed in confidence, and Franchisee expressly agrees to keep and respect the confidences so reposed, both during the term of this Agreement and thereafter. Franchisor expressly reserves all rights with respect to the Marks, confidential trade secrets, methods of operation and other proprietary information, except as may be expressly granted to Franchisee hereby or in the Operations Manual. Franchisor shall disclose its trade secrets to Franchisee by lending to Franchisee (for the term of this Agreement) manuals and other written material containing the trade secrets, through training and assistance provided to Franchisee hereunder, and by and through the performance of Franchisor's other obligations under this Agreement. Franchisee acknowledges that Franchisor is the sole owner of all proprietary information and trade secrets; that such information is being imparted to Franchisee only by reason of its special status as a franchisee of the System; and that the trade secrets are not generally known to the retail industry or public at large and are not known to Franchisee except by reason of such disclosure. Franchisee further acknowledges that it shall acquire no interest in the trade secrets, other than the right to utilize them in the development and operation of the Franchise Business during the term of this Agreement. In addition, Franchisee acknowledges that the use or duplication of the trade secrets except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Franchisor shall suffer irreparable injury thereby. Franchisee agrees that it will not do or permit any act or thing to be done in derogation of any of the rights of Franchisor in connection with the Marks, trade names, or methods of operation either during the term of this Agreement or thereafter, and that it will use same only for the uses and in the manner franchised and licensed hereunder and as herein provided. Furthermore, Franchisee and its employees and agents will not engage in any act or conduct that impairs the goodwill associated with the Marks.

b. In connection with the operation of the Franchise Business, Franchisee agrees that at all times and in all advertising, promotions, signs and other display materials on its letterheads, business forms, and at the Club Location and other authorized business sites, in all of its business dealings related thereto and to the general public, it will identify the Franchise Business solely under the names (in such context, the "Business Name") authorized by Franchisor (together with the words "INDEPENDENTLY OWNED AND OPERATED" on stationery, letterhead and other written materials containing the Marks) or such other similar designation as shall hereafter be prescribed by Franchisor, all in such form, size and style as shall be directed by Franchisor in the Operations Manual or otherwise in writing. Franchisee shall file and keep current a "Fictitious Business Name Statement" (or similar document) with respect to its Business Name in the county or other designated region in which Franchisee is conducting business and at such other places as may be required by law. Before commencing business under the Marks, Franchisee shall supply evidence satisfactory to Franchisor that Franchisee has complied with relevant laws regarding the use of fictitious or assumed names. Franchisee further agrees that it will not identify itself as Franchisor, a subsidiary, parent, division, shareholder, partner, joint venturer, agent, or employee of Franchisor or any of Franchisor's other franchisees. If Franchisee is a corporation, Franchisee shall not use any portion of the Marks in its corporate name.

6.3 **Use and Modification of Marks.** Franchisor may add to, substitute or modify any or all of the Marks or proprietary information related to the Franchise from time to time, by written directive. Franchisee shall accept, use, display, or cease using, as may be applicable, the Marks, including but not limited to, any such modified or additional trade names, trademarks, service marks, logo types and commercial symbols, and shall within thirty (30) days of receiving notification, commence to implement such changes and use its best efforts to complete such changes as soon as practicable. On expiration or sooner termination of this Agreement, Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary, in Franchisor's judgment, to end and cause a discontinuance of the use by Franchisee of the Marks and Business Name registrations and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so.

6.4 **Use of Other Trademarks.** Unless otherwise agreed to in writing, Franchisee shall not use or display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the Business Name:

a. In any advertisement that contains the Marks;

b. In or on the Club premises or place of business of Franchisee in any manner that is reasonably visible from outside such Club or place of business, in any manner that could lead any person to believe that such other trademarks, trade names, service marks, insignias, or logo types or the products or services with which they are associated are owned or offered by Franchisee.

6.5 **Prohibition Against Disputing Franchisor's Rights.** Franchisee agrees that it will not, during or after the term of this Agreement, in any way, dispute or impugn the validity of the Marks licensed hereunder, or the rights of Franchisor thereto, or the rights of Franchisor or other franchisees of Franchisor to use the same during the term of this Agreement or thereafter.

6.6 **Service Mark Infringement Claims and Defense of Marks.** If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand against it by any party other than Franchisor or its affiliates on account of any alleged infringement, unfair competition or similar matter arising from its use of the Marks in accordance with the terms of this Agreement, Franchisee shall promptly notify Franchisor of any such claim, suit or demand. Franchisee shall have no power, right or authority to settle or compromise any such claim, suit or demand by a third party without the prior written consent of Franchisor. Franchisor shall defend, compromise or settle at its discretion any such claim, suit or demand at Franchisor's cost and expense, using attorneys selected by Franchisor, and Franchisee agrees to cooperate fully in such matter, and Franchisor shall indemnify and hold harmless Franchisee from and against any and all judgments resulting from such claim, suit or demand arising from Franchisee's use of the Marks in accordance with the terms of this Agreement. Franchisor shall have the sole discretion to determine whether a similar trademark or service mark being is used by a third party is confusingly similar to the Marks being used by Franchisee and whether and what subsequent action, if any, should be undertaken with respect to such similar trademark or service mark.

ARTICLE 7
Instruction and Operating Assistance

7.1 **Initial Training and Assistance.**

(a) Franchisor will provide Initial Franchise Training ("IFT") to Franchisee (up to two employees) at a location determined by Franchisor. At the time the franchise Club is ready to open, Franchisor will provide opening training, Club set up, and all post opening reviews and training as specified by Franchisor. Franchisee understands that it is of paramount importance that Franchisee and Franchisee's employees and representatives understand Franchisor's system. Therefore, failure to complete IFT to Franchisor's satisfaction shall be grounds for termination of this Agreement; provided, however, that Franchisee's designated employees who attended shall have the opportunity to either retake the training program or to send one other designated person, approved by Franchisor, to Franchisor's (may also be provided by Franchisor) training program.

(b) Franchisee agrees that Franchisee's Club will not be open to the public until Franchisee has satisfactorily completed the training and has taken charge of the operations after securing Franchisor's approval. A pre-opening certification by Franchisor with Franchisee's cooperation must occur before opening. If additional training and/or set up is needed, then Franchisee will pay Franchisor Four Hundred Fifty Dollars ($450) per day per representative plus all travel related expenses.

(c) Franchisee must designate who will manage the Franchise Business sixty (60) days prior to opening Franchise Business, and this manager (must be satisfactory to Franchisor) must attend and successfully complete IFT to Franchisor's satisfaction. It is highly recommended that at least one Principal of the Franchisee also attend.

(d) To assist Franchisee in the fulfillment of its responsibilities, Franchisor shall provide the following assistance and materials to Franchisee:

(1) Reasonable telephone assistance, without charge, to instruct in all phases of the Franchise operation commencing on the first day that the Club is opened for business.

(2) General advertising programs, sales promotion, membership sales training and campaign Materials, and copies of sample advertising materials.

(3) POS, Technology, and Operating Procedures during the training program

(4) Copies of the standard business forms designated in the Operations Manual, as revised from time to time.

(5) An approved Gross Receipts reporting system including copies of certain Materials and forms to be used in connection therewith.

(6) One loaned copy of the Operations Manual and companion confidential manuals provided by Franchisor. If the Operations Manual or other confidential manual is lost or destroyed, then Franchisee shall pay Franchisor One Thousand Dollars ($1,000) to replace it.

(7) Periodic reviews and follow-up assistance and visitation by Franchisor to the extent Franchisor deems necessary to assist Franchisee in management, merchandising, and training in its day-to-day operations.

(8) Periodic news releases, available to all franchisees, discussing matters of interest.

7.2 **Costs of Initial Training.** All costs and expenses (including travel, hotel and meals) of attendees at IFT shall be the sole responsibility of Franchisee. Persons attending IFT must have a demonstrable relationship to the management and operation of the Franchise Business. Franchisor reserves the right to assess a reasonable tuition charge for training all attendees other than Franchisee's manager (or other on-premises supervisor) and a Principal of Franchisee.

7.3 **Mandatory Meetings.** Not more often than once each year, Franchisor may conduct a system-wide or series of regional meetings to discuss KENNEDY'S business activities or other matters relating to the Franchise Business. Attendance of a Principal or the Manager at these meetings is mandatory (and is highly recommended for other Principals). Franchisee must pay all costs incurred as a result thereof including the cost of transportation, accommodations and living expenses. Franchisee may be required to pay Franchisor a fee to attend such annual meetings to help pay its costs. The annual meetings referenced in this section are in addition to any voluntary convention or sales conference that may be established by Franchisor. Franchisor may also require Franchisee's participation in periodic teleconferences to discuss System, marketing or operational matters.

7.4 **Staff Training Courses.**

a. Franchisor may make available to Franchisee, from time to time, staff training courses, seminars, conferences, or other programs, in a suitable location at Franchisor's discretion.

b. Upon reasonable notice, Franchisor may require attendance of designated personnel of Franchisee at training courses, seminars, conferences, conference calls or other programs other than IFT that are deemed by Franchisor to be relevant or appropriate to the successful operation of the System. Franchisor may charge a separate fee for required training courses, seminars, conferences or other programs.

c. In connection with any staff training courses described, Franchisee shall pay the travel, hotel, meal and all incidental expenses of Franchisee's attendees.

ARTICLE 8
Operation of Business

8.1 **Franchisee Operational, Staff and Supplies Requirements.**

a. At least one Principal or an Appointed General Manager must be actively involved in the operations of the Franchise. Franchisee shall employ or engage the services of, on a full-time basis, at least one on-premises Manager who does not work at the Club also in another capacity such as a barber. If Franchisee owns and operates multiple Clubs, Franchisee must hire a General Manager who shall devote his or her entire time during normal business hours, as defined in the Operations Manual, to the management, operation and development of the Franchise Business and shall not engage in any other business activity requiring his or her active participation during normal business hours. The Supervisor and General Manager must complete Franchisee training.

b. Franchisee shall continuously operate between the hours of at least 10:00 A.M. to 7:00 P.M. seven (7) days per week (except days of religious observance required by religious conviction) unless different hours have been approved in writing by Franchisor based upon the circumstances existing with the particular Franchise Location, or on a full time and continuous basis, consistent with the schedule of the department Franchise Club or shopping strip center within which the Club is located, except as caused by natural disasters or other matters not the responsibility of or beyond the control of Franchisee.

c. Franchisee understands and agrees that the maintenance of the quality of the Products and Services offered by each KENNEDY'S franchisee is of primary importance to Franchisor in order to properly promote and protect the public image of each of such products and services, and to protect the Marks under which such Franchisees are licensed to operate. Franchisee therefore agrees to sell only those products and services provided to Franchisee under the terms of this Agreement and to purchase the same only from Franchisor or its suppliers who are recommended in writing to Franchisee. If Franchisee proposes to use anything not approved by Franchisor or from a non-approved supplier, Franchisee must first notify Franchisor in writing at least thirty (30) days prior to proposed acquisition date, and then submit to Franchisor sufficient specifications and other information or samples for examination or testing, so that Franchisor can determine whether the product meets its specifications and standards. In addition, Franchisor reserves the right to revoke its approval upon the supplier's failure to continue to meet Franchisor's specifications and standards.

d. Franchisee must offer the specific approved list of products and services for a KENNEDY'S franchise. Retail prices may be suggested to Franchisee by the Franchisor but are not required to be followed under any circumstance. Franchisee should report any suggestion of required pricing to Franchisor. Franchisor will receive income in the form of mark-up on all products and supplies, signs, memorabilia and other products added for sale in the future.

8.2 **Reporting Requirements**. Franchisee is required to report to Franchisor on a periodic basis, certain statistical data as Franchisor deems appropriate, including, but not limited to, Gross Receipts received or receivable, gross sales, operating expenses and such other data as further specified in the Operations Manual. Franchisee shall produce financial records as described below within ten (10) days of request from Franchisor. Additionally, Franchisee shall forward to Franchisor the name, address, phone number, and E-mail address of all customers (members and nonmembers). Such list shall be updated monthly and are the property of the Franchisor and Franchisee.

8.3 **Operations Manual**

a. Franchisee shall operate the Franchise Business in accordance with the Operations Manual, a copy of which shall be provided to Franchisee by Franchisor not later than the beginning of Initial Franchise Training (IFT). Franchisor shall have the right to modify the Operations Manual at any time by the addition, deletion or other modification of the provisions thereof. Franchisor agrees that although such modifications to the Operations Manual may be material in that they may have an effect on the operation of the business, they may not conflict with or materially alter the terms of this Agreement. All such additions, deletions or modifications shall be effective the next business day after Franchisor (i) has deposited written notification thereof to Franchisee with a reliable overnight courier for delivery on the next business day or (ii) sends an electronic copy to Franchisee's e-mail address.

b. Upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall immediately return the Operations Manual to Franchisor. Except as specifically permitted by Franchisor, at no time may Franchisee, or its employees or agents, make, or cause to be made, any copies or reproductions of all or any portion of the Operations Manual and shall not disclose the terms thereof to any other person except employees and agents of Franchisee when required in the operation of the Franchise Business. If Franchisee loses the Operations Manual or fails to return it to Franchisor when required to do so, Franchisee shall be required to pay Franchisor a fee of One Thousand Dollars ($1,000).

8.4 **Equipment and Supplies**. Franchisee must have certain supplies, equipment and other items as required by Franchisor under this Agreement or in the Operations Manual in order to fulfill Franchisee's obligations under this Agreement. In this regard, all sales made in the operation of the Franchise shall be recorded upon a Point of Sale System as selected by Franchisor, which includes a locked and non-resettable sales total, and which shall be located within the Club. If a sale is made within the Club the sale must be recorded at the time of sale. If the sale is made away from the Club for any reason, it must be recorded as soon as possible after the sale.

8.5 **Minimum Product Inventories.** Franchisee agrees that it shall, at all times during this Agreement, achieve and maintain at least the minimum types and amounts of inventory of items as specified in the Operations Manual. Franchisee understands and agrees that the maintenance of the quality of the products and services offered by each KENNEDY'S franchisee is of primary importance to Franchisor in order to properly promote and protect the public image of each of such products and services, and to protect the Marks under which such franchisees are licensed to operate. Franchisee therefore agrees to sell only those products and services provided to Franchisee under the terms of this Agreement and as specified in the Operations Manual and to purchase the same only from designated or approved suppliers that are recommended in writing to Franchisee. Franchisee may reasonably add or delete products or services.

8.6 **Uniforms**. Franchisor shall be entitled to prescribe standard uniforms and attire for all of Franchisee's barbers and other personnel in order to enhance Franchisor's product and format. Franchisee must obtain such uniforms and attire only from approved manufacturers or distributors in order to maintain consistency.

8.7 **Signs and Display Materials.** All signs, display materials, and other Materials shall be in full compliance with the specifications provided in, and in conformity with, the Operations Manual or approved architectural plans. Said Materials may be purchased and procured by Franchisee from Franchisor or suppliers designated or approved by Franchisor in accordance with Operations Manual guidelines.

8.8 **Telephone Numbers.** At its sole expense, Franchisee shall obtain "white pages" listings in the form, size and content and in accordance with procedures prescribed by the Operations Manual, in at least one applicable telephone directory of general distribution covering the geographical area containing the Club, or such other areas as Franchisor may direct, of its authorized Business Name as promptly as possible after the Club premises have been identified, and shall list the telephone numbers for its Club. Upon the termination of this Agreement for any reason, the telephone number must be promptly assigned to Franchisor within ten (10) days of termination.

8.9 **Depository Account.**

a. Franchisee shall furnish its bank with authorizations necessary to permit Franchisor to access funds from the account for electronic funds transfer for Royalty Fee payments and Marketing Fee payments. Franchisee shall bear any expense associated with such authorizations and electronic funds transfers. Based on the location of the Franchise, a Development Agent could collect Royalty or Marketing Fees on your behalf.

b. Franchisor shall furnish Franchisee with a written confirmation by letter or email of each such transfer. Franchisee agrees to maintain sufficient funds in the account at all times to cover all Royalty Fees and Marketing Fees payable to Franchisor. If funds in the account are insufficient to cover the amounts payable at the time Franchisor makes a weekly electronic funds transfer, Franchisor will notify Franchisee by email, the amount of the shortfall shall be deemed overdue, and Franchisee shall pay Franchisor the balance, on demand. In addition to the overdue amount, daily interest on such amount from the date it was due until paid, at the rate of eighteen (18%) per annum or the maximum rate permitted by law, whichever is less shall be due to Franchisor. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

c. More than two (2) payment defaults will be a material breach of this Agreement and subject Franchisee to the loss of the Franchise.

8.10 **Point of Sale System.** Franchisee shall record all sales and all sales receipts of revenue on a prescribed model computerized point of sale system ("POS "), as indicated in the Franchise Operations Manual, Franchisee agrees that certain key data may be made available to or from Franchisor on a daily basis. Financial information required or made available will include but may not be limited to: (i) total daily gross sales; (ii) the Franchise Fee as it relates to those sales; (iii) information pertaining to Franchisee's daily profits and losses; and (iv) automatic electronic modification by Franchisor of key program information such as revised tax tables, operational system flags and new Product Listing Units ("PLU") that may affect Franchisee from time to time. Franchisee *agrees* that no other POS or cash register of any nature will be introduced or employed in the daily operation of any Club. Franchisor may, at Franchisor's sole discretion, require the use of new and improved POS upon prior written notice. All financial records must be kept by Franchisee for at least five (5) years following the end of the calendar year in which they relate. Franchisee shall deliver to Franchisor on a quarterly basis, a complete and accurate profit and loss statement and a balance sheet for the preceding quarter, along with a summarized royalty statement and any other sales data requested by Franchisor on a form specified by Franchisor.

8.11 **Insurance.**

a. Franchisee shall have in effect on the Effective Date and maintain during the term hereof insurance in such types and amounts as are specified in the Operations Manual. All policies of insurance to be maintained by Franchisee shall contain a separate endorsement naming the Franchisor (and if required, its affiliated companies), as additional insured parties. Such policies of insurance shall not be subject to cancellation or modification except with thirty (30) days prior written notice to the Franchisor. Franchisee shall cause certificates of insurance showing compliance with the above requirements to be delivered to Franchisor annually upon renewal and at such other times as Franchisor may request.

b. Throughout the term of this Agreement, Franchisee shall maintain in effect at all times a policy or policies of insurance with an "A" insurance carrier naming Franchisor as an additional insured on the face of each policy at Franchisee's sole cost and expense with at least the minimum policy coverage limits as set forth in the Operations Manual but no less than One Million Dollars ($1,000,000) in liability coverage.

c. Certain states or insurance companies may require special insurance and/or

rules as it relates to but not limited to shaving, massage and any other services offered in the Club. Franchisee must secure and maintain such insurance and in amounts described in the Operations Manual.

d. If Franchisee does not maintain the insurance coverage required in the Operations Manual, Franchisor may purchase such policies of insurance as it deems required and Franchisee shall reimburse Franchisor for all costs of such insurance, plus interest on the funds advanced at the maximum rate allowed by law.

e. Franchisee shall promptly notify Franchisor of any and all claims against Franchisee or Franchisor under said policies of insurance and shall deliver to Franchisor a certificate evidencing that such insurance is in full force and effect concurrently with the opening of the first Club and each year thereafter. Such insurance certificate shall contain a statement that the certificate shall not be cancelled without thirty (30) days prior written notice to Franchisee and Franchisor.

8.12 **Records and Rights of Inspection.**

a. Franchisee covenants and agrees that it shall keep and maintain during the term hereof, and for a period of sixty (60) months following expiration or termination for any reason, full, true and complete records of all revenues and expenditures respecting the Club, in the form and manner specified by Franchisor in its Operations Manual and shall permit Franchisor or its representatives or agents selected in the sole discretion of Franchisor, during normal business hours, to examine or audit the books of accounts, bank statements, documents, records, papers, and federal, state and local tax return records relating to the Franchise Business or individual officers, directors, owners, partners, or affiliated or related entities or shareholders. If Franchisor causes an audit to be made and the Gross Receipts as shown by Franchisee's records should be found to be understated by any amount, Franchisee shall immediately pay to Franchisor the additional amount payable as shown by such audit, plus interest thereon at the rate of eighteen percent (18%) per annum or the highest rate of interest allowed by law, whichever is lower, computed from the date (or dates) said understated amount (or amounts) were due. If (i) the Gross Receipts are found to be understated by three percent (3%) or more, or (ii) if Franchisee's records require a substantial effort (as determined in the sole judgment of Franchisor, exercised in good faith) on behalf of Franchisor's auditors to be placed in a condition readily conducive to audit, Franchisee will be required to immediately pay to Franchisor the entire cost of such audit; otherwise, the cost of the audit shall be borne by Franchisor.

b. Within forty-five (45) days after the end of each of Franchisee's fiscal year, Franchisee shall furnish Franchisor with: (i) a Profit and Loss Statement and Balance Sheet of the Franchise Business for the previous fiscal year; and (ii) a statement of Gross Receipts for the previous fiscal year along with any further information Franchisor shall reasonably request. All such financial statements and information shall be prepared in accordance with the guidelines prescribed by Franchisor in the Operations Manual, and shall be certified by Franchisee's Chief Executive Officer or Chief Financial Officer (or an independent Certified Public Accountant), as being true and correct

8.13 **Review.**

a. Franchisee shall permit Franchisor and Franchisor's agents to enter the Club at any time during normal business hours to conduct inspections; shall cooperate with such inspections by rendering such assistance as Franchisor's representatives may reasonably request; and, upon notice from Franchisor (or Franchisor's agents), shall immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection.

b. If as a result of a Club review inspection under this Agreement, Franchisee's business operations are determined by Franchisor to be unsatisfactory, Franchisor shall itemize such deficiencies and Franchisee shall then have fifteen (15) days to correct them. If Franchisee fails to correct these deficiencies within fifteen (15) days, Franchisor may send up to three (3) representatives to assist Franchisee in correcting these deficiencies; Franchisee shall be responsible for reasonable travel and lodging expenses of these representatives, plus pay Franchisor a charge of Four Hundred Fifty Dollars ($450) per day per representative and expenses associated with correction of the deficiencies.

c. At any other time, Franchisor shall have the right to send representatives at reasonable intervals during normal business hours, into Franchisee's Club or other offices to inspect Franchisee’s other records, operations, business methods, service, management and administration, to determine the quality thereof and the faithfulness of Franchisee's compliance with the provisions of this Agreement and the Operations Manual. If such other records are not located at the Club or an administrative office, Franchisor's representatives shall have the right to inspect said other records, wherever located.

8.14 **Franchisor Use of Club.** Franchisor is authorized to use Franchise Location at least once (1) per month after regular Club hours to hold a meeting for Club Members and guests. The purpose of the meetings will be to build relationships with Members and to promote products and services of the Franchisor and others. Franchisor shall pay Franchisee Two Hundred Fifty Dollars ($250) in rent for the use of the Club and be responsible for any damage not covered by insurance. Examples of the use of the Club are to promote the sale of the Franchise or investment in them, wine tastings, product announcements, trunk shows, special Member trip offerings and other similar events.

8.15 **Compliance with Laws.**

a. Franchisee shall: (i) operate the Franchise Business in compliance with all applicable laws, rules and regulations of all governmental authorities; (ii) comply with all applicable wage, hour and other laws and regulations of the federal, state or local governments; (iii) prepare and file all necessary tax returns; and (iv) pay promptly all taxes imposed upon Franchisee or upon its business or property.

b. Franchisee represents and warrants that it shall obtain and at all times maintain all necessary permits, certificates and licenses necessary to conduct the Franchise Business in the localities within which the Club or other office is situated. Franchisee shall immediately notify Franchisor of any litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving Franchisee, or any entity affiliated with Franchisee, or any agent, employee, owner, director or partner of Franchisee, which notification shall include all relevant details.

8.16 **No Other Barber or Grooming Businesses.**

a. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and trade secrets, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the KENNEDY'S System. In consideration for the use and license of such valuable information, Franchisee agrees that it shall not during the term of this Agreement and for a period of two (2) years after termination, cancellation or expiration of this Agreement (for any reason), engage in activities within twenty-five (25) miles of the Trade Area or of any other KENNEDY'S Club, nor operate, manage, own, assist or hold an interest, direct or indirect (as an employee, officer, director, shareowner, partner, joint venture or otherwise), in any men's barber or grooming business, without the express prior written consent of Franchisor. It is the intention of the parties that Franchisee maximize the Franchise Business and Gross Receipts for the mutual benefit of Franchisor and Franchisee, and any action of Franchisee that diverts business to another entity or diminishes the Gross Receipts of the Franchise Business shall be a material breach of this Agreement. Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, partnership, or corporation, divert or attempt to divert any business or customer of the Franchise Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System. This section shall also apply to each of Franchisee's directors, officers, general partners, and Principals.

b. Franchisee acknowledges that the restrictions contained in this section are reasonable and necessary in order to protect legitimate interests of Franchisor, and in the event of violation of any of these restrictions, Franchisor shall be entitled to obtain damages including, without limitation, Royalty Fee payments and any other fees that would have been payable if such business were included in the Franchise Business, and an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor may be entitled at law or in equity.

c. During the term of this Agreement, neither Franchisee nor any of Franchisee's principals shall directly or indirectly engage or be financially involved in (except for ownership of not more than five percent (5%) of the outstanding stock, voting and non-voting, of a corporation, the stock of which is traded on a national securities exchange), or be employed by any men's barber or grooming business selling or offering related products to those sold or offered by Franchisee's Franchise Business which are a significant aspect of that operation.

8.17 **Web Site.** Franchisee may not engage in the Franchise Business directly or indirectly through the Internet, except as authorized by Franchisor in the Operations Manual or otherwise in writing. Franchisee is required to be listed and participate in Franchisor's web site. Under no circumstances will Franchisee be authorized to establish its own web site for the purpose of advertising the Marks or the Franchise Business.

ARTICLE 9
Assignment

9.1 **Assignment by Franchisor.** Franchisor shall have the right to transfer this Agreement, and all of its rights and privileges hereunder to any other person, firm or corporation ("Assignee of Franchisor"); provided that the Assignee of Franchisor is financially responsible and economically capable of performing the obligations of Franchisor hereunder; and the Assignee of Franchisor expressly assumes and agrees to perform such obligations. In the event of such Assignment by Franchisor, Franchisor shall be relieved of all obligations or liabilities then extant under this Agreement.

9.2 **Assignment by Franchisee.**

a. This Agreement is being entered into in reliance upon and in consideration of the singular personal skills and qualifications of Franchisee and its Principals and the trust and confidence reposed in Franchisee by Franchisor, or, in the case of a corporate Franchisee, the Principals thereof who will actively and substantially participate in the ownership and operation of the Franchise Business or, in the case of a partnership Franchisee, the partners thereof who will actively and substantially participate in the ownership and operation of the Franchise Business. Therefore, neither Franchisee's interest in this Agreement and the Franchise granted hereunder nor substantially all of its assets nor any of its other rights or privileges hereunder shall be assigned, transferred, shared or divided, sub-franchised, sublicensed, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (collectively, "Assignment by Franchisee"), without the prior written consent of Franchisor and subject to Franchisor's right of first refusal provided for in this Agreement. Notwithstanding the foregoing, in the event of the death or legal incapacity of Franchisee or a Principal, as the case may be, the transfer of Franchisee's or Prnicpal's interest in this Agreement to his or her heirs, personal representatives or conservators, as applicable, shall not be deemed an Assignment by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Initial Franchise Training), nor obligate Franchisee to pay any Assignment by Franchisee processing fee nor give rise to the Franchisor's right of first refusal as set forth in this Agreement, although such refusal right or obligation to pay shall apply as to any proposed transfer or assignment by such heirs, personal representatives or conservators. However, if Franchisor determines: (i) there is no imminent sale to a qualified successor; or (ii) there is no heir or other principal person capable of operating the Franchise, Franchisor may immediately commence operating the Franchise on behalf of Franchisee. For such management assistance, Franchisor may charge Franchisee a fee equal to eight percent (8%) of the Gross Receipts during the Franchisors operation, plus the cost of wages for the interim manager.

b. Should Franchisor elect not to exercise its right of first refusal, or should such right of first refusal be inapplicable, as herein provided, Franchisor's consent to an Assignment by Franchisee shall not be unreasonably withheld; provided, however, that it shall not be unreasonable for Franchisor to impose, among other things, the following conditions precedent to its consent to any such Assignment by Franchisee:

(1) The assignee ("Assignee of Franchisee") shall complete Franchisor's application for Franchise, and in connection therewith, Franchisee and Assignee of Franchisee shall fully disclose in writing all of the terms and conditions of the Assignment by Franchisee;

(2) The Assignee of Franchisee or the Principals, officers, shareholders or directors of the Assignee of Franchisee in the case of a corporate Assignee of Franchisee, or the partners of the Assignee of Franchisee in the case of a Partnership Assignee of Franchisee, demonstrate that it has or they have the skills, qualifications and economic resources necessary, in Franchisor's sole judgment, to conduct the business contemplated by this Agreement,

(3) The Assignee of Franchisee and each shareholder of a corporate Assignee of Franchisee expressly assumes in writing for the benefit of Franchisor all of the obligations of Franchisee under this Agreement,

(4) The Assignee of Franchisee executes the then current form of Franchise Agreement being used by Franchisor for the remainder of the term of this Agreement or, in the sole discretion of Franchisor, for the initial term of the then current form of Franchise Agreement,

(5) Franchisee shall have complied fully as of the date of any such Assignment by Franchisee with all of its obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor,

(6) The Assignee of Franchisee agrees that Franchisors Initial Franchisee Training program described in this Agreement and any other training or

orientation programs then required by Franchisor will be satisfactorily completed by necessary personnel within thirty (30) days after the execution of the above described Franchise Agreement, provided, however, that Assignee of Franchisee shall agree to pay for all of its expenses incurred in connection with the, Initial Franchise Training (IFT), and

Franchisee shall pay to Franchisor a non-refundable transfer fee of Five Thousand Dollars ($5,000).

c. If Franchisee is a partnership or other business association, Franchisee shall provide Franchisor at the Effective Date with a copy of Franchisee's partnership agreement or other agreement between the partners and members of the association. If Franchisee is a corporation or limited liability company ("LLC"), Franchisee shall provide Franchisor at the Effective Date with copies of organizational documents, including stock certificates or membership certificates. As a condition to entering into the Franchise, if Franchisee is a corporation or LLC, the following legend must be placed on all stock or membership certificates:

"THE TRANSFER OF THIS STOCK IS SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN FRANCHISE AGREEMENT DATED ______________________________ BETWEEN __________________________ ____________________________________,THIS COMPANY AND KENNEDY'S INTERNATIONAL FRANCHISING, LLC REFERENCE IS MADE TO SUCH FRANCHISE AGREEMENT AND THE RESTRICTIVE PROVISIONS CONTAINED THEREIN AND AS MAY BE OTHERWISE SET FORTH IN THE ORGANIZATIONAL DOCUMENTS OF THIS COMPANY."

d. If there is an Assignment by Franchisee of this Agreement or the business contemplated hereby, if legally permissible, Franchisee shall also assign all of its rights under any lease for its Club to the same Assignee of Franchisee. If Franchisee is a corporation, the cumulative Transfer of forty-nine percent (49%) or more of its capital stock or voting power shall be deemed to be an Assignment by Franchisee of this Agreement for purpose of the this Agreement; provided, however, that a transfer of the Franchise from a sole proprietorship or partnership Franchisee to a corporation, all of the shares of which are owned by the sole proprietor or partners in the same proportionate amount, shall require the payment of a non-refundable Assignment by Franchisee fee of five percent (5%) of the then current Initial Franchise Fee in lieu of the Assignment by Franchisee fee described above. Notwithstanding the foregoing, Franchisee shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever, nor sub-franchise or otherwise transfer, or attempt to sub-franchise or otherwise transfer the franchise so long as it is operated as a KENNEDY'S Club, or to transfer or sub-franchise a portion but not all of Franchisee's rights hereunder without the express prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole discretion. Any attempt by the Franchisee to assign or any purported assignment by the Franchisee in violation of this section shall be void.

e. Upon Franchisor's consent to any assignment, Franchisee shall bring all accounts with Franchisor current and shall execute a general release of all claims against Franchisor.

9.3 **Right of First Refusal.** The right of Franchisee to assign, transfer or sell its interest in the Franchise granted by this Agreement, except for a transfer to the Franchisee's heirs, personal representatives or conservators in the case of his death or legal incapacity, shall be subject to Franchisor's right of first refusal with respect thereto. Franchisor's said right of first refusal may be exercised in the following manner:

a. Franchisee shall serve upon Franchisor a written notice setting forth: (i) all of the terms and conditions of any bonafide offer relating to a proposed Assignment by Franchisee, and (ii) all available information concerning the proposed Assignee of Franchisee.

b. Within ten days after Franchisor's receipt of such notice (or if it shall request additional information, within ten days after receipt of such additional information), Franchisor may either consent or withhold its consent to such Assignment by Franchisee, or at its option, may accept the Assignment by Franchisee itself or on behalf of its nominee upon the terms and conditions specified in the notice.

c. If Franchisor shall elect not to exercise said right of first refusal and shall consent to such Assignment by Franchisee, Franchisee shall for a period of (ninety) 90 days, be free to assign this Agreement to such proposed Assignee of Franchisee upon the terms and conditions specified in said notice. If, however, said terms shall be materially changed, or if said ninety (90) day period shall have expired, Franchisor shall again have such right of first refusal with respect thereto and Franchisee shall again be required to comply with section 9.3(a) above.

9.4 **Transfers to Family Members.** Franchisee or a principal owner, if a natural person, may with Franchisor's consent, which will not be unreasonably withheld, Transfer the Franchise Business or an equity interest in Franchisee to such person's spouse, parent, sibling, niece, nephew, descendant or spouse's descendant provided that adequate provision is made for the management of the Franchise Business and the transferor guarantees, in form and substance satisfactory to Franchisor, the performance of the transferee's obligations under this Agreement. No transfer under this section 9.4 shall be subject to (i) Franchisor's right of first refusal or (ii) the transfer fee.

9.5 **Transfers to Affiliated Corporations.** Franchisee, if a natural person, or Principal(s) may without the consent of Franchisor, upon thirty (30) days prior written notice to Franchisor, Transfer the Franchise Business to a corporation entirely owned by such Franchisee or Principal(s), as the case may be, in the same proportionate amount of ownership as prior to such Transfer, provided that adequate provision is made for the management of the Franchise Business and that the transferor remains personally liable for the performance of Franchisee's obligations hereunder. No transfer under this section shall be subject to (i) Franchisor's right of first refusal or (ii) the transfer fee.

9.6 **Transfers Upon Death, Incapacity.** Notwithstanding any of the foregoing, in the event of the death or legal incapacity of Franchisee, if a natural person, or a Principal, such person's interest in this Agreement or its equity interest in the Franchisee will Transfer in accordance with such person's will or, if such person dies without a will, in accordance with laws of intestacy governing the distribution of such person's estate, provided that adequate provision is made for the management of the Franchise Business and the transferee is one or more of the decedent's spouse, parents, siblings, nieces, nephews, descendants or spouse's descendants. No transfer under this section shall be subject to (i) Franchisor's right of first refusal or (ii) the transfer fee.

9.7 **Restrictions on Granting Security Interests and Sub Franchising.** Except as otherwise set forth below, Franchisee shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever, nor sub franchise or otherwise Transfer, or attempt to sub franchise or otherwise Transfer any Club so long as it is operated as a KENNEDY'S Club, or to Transfer or sub franchise a portion but not all of Franchisee's rights hereunder without the express prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole discretion. Notwithstanding anything contained herein to the contrary, Franchisee shall have the right to pledge its accounts receivable (if any) without the prior written consent of Franchisor for the sole purpose of obtaining financing for the operation of the Franchise Business provided Franchisee is in full compliance with all of the terms and conditions of this Agreement, and any other agreement, arrangement or understanding with Franchisor.

9.8 **Other Transfers.** Except as otherwise provided in this Agreement and subject to Franchisor's right of first refusal, Franchisee or a Principal may effect any Transfer of a direct or indirect interest in this Agreement, in the Franchise Business or in the economic benefits derived there from, or any equity interest in Franchisee, not permitted by the preceding sections only after written notice to Franchisor and only with Franchisor's written consent, which may not be unreasonably withheld. Franchisor shall exercise its good faith business judgment in determining whether to give or withhold consent to a Transfer under this section. Such exercise of good faith business judgment shall include Franchisor's consideration of certain skills and qualifications of the prospective transferee which are of business concern to Franchisor, including without limitation, the following: experience in similar retail businesses, financial and operational skills and qualifications, economic resources, reputation and character of such prospective transferees; the ability of such prospective transferee(s) to fully and faithfully conduct the Franchise Business as contemplated by this Agreement; and the effect that the Transfer and the prospective transferees will have or may reasonably be expected to have on the reputation or business operations of the Franchise Business, the System or Franchisor, its parent or any of its affiliates.

ARTICLE 10
Default and Termination

10.1 **General**

a. This Agreement may be terminated unilaterally by Franchisor or Franchisee only for good cause, which for purposes of this Agreement shall mean a material violation of this Agreement and shall include any failure by Franchisee to substantially comply with any obligation, duty or promise under this Agreement. Franchisor or Franchisee shall exercise its respective right to terminate this Agreement in the manner described in this Article.

b. Notwithstanding anything contained herein to the contrary, in those circumstances under which Franchisor shall have the right to terminate this Agreement, Franchisor shall have the option, to be exercised in its sole discretion, to choose alternative remedies to its right to terminate the entire Agreement.

c. If Franchisor gives Franchisee written notice to cure a violation of this Agreement, Franchisee shall commence such cure within twenty-four (24) hours and must effect a complete cure and remedy the damage caused by such violation as fully as possible in the shortest possible time, in no event more than seven days; and Franchisee shall take action to prevent recurrence of the same type of violation.

d. Notwithstanding anything contained herein to the contrary, in those circumstances under which Franchisor shall have the right to terminate this Agreement, Franchisor shall in order to preserve its franchise value and to support existing customers, have the right to (i) buy some or all of Franchisee's existing furnishings, fixtures, equipment, supplies or inventory by paying the fair market value (as reasonably determined by Franchisor or by a third party appraiser) for what is purchased within ten (10) business days after notice is sent from Franchisor that it will be making such purchase, (ii) assume the lease for and take possession of the leasehold premises where the KENNEDY’S Club is located and (iii) exercise any and all remedies available to it at law or in equity, including without limitation specific performance and damages (including without limitation direct, indirect, special, incidental or consequential damages.) All rights and remedies provided herein shall be in addition to and not in substitution of all other rights and remedies available to a Party at law or in equity.

10.2 **Termination without Prior Notice.** Franchisor shall have the right to terminate this Agreement without prior notice to Franchisee upon the occurrence of any or all of the following events, each of which shall be deemed an incurable breach of this Agreement:

a. If Franchisee Abandons its Franchise Club;

b. To the extent permitted by law (including without limitation the applicable provisions of the Federal Bankruptcy Act), (i) if Franchisee or a general partner thereof becomes insolvent (as revealed by its records or otherwise), or (ii) if Franchisee files a voluntary petition and is adjudicated bankrupt, or if an involuntary petition is filed against Franchisee and such petition is not dismissed within thirty (30) days, or (iii) if Franchisee shall make an Assignment by Franchisee for the benefit of creditors, or (iv) if a receiver or trustee in bankruptcy or similar officer, temporary or permanent, be appointed to take charge of Franchisee’s affairs or any of its property, or (v) if dissolution proceedings are commenced by or against Franchisee (if a corporation or partnership) and are not dismissed within thirty (30) days thereafter, or (vi) if any final Judgment against Franchisee from which no further appeal is available and which is not currently on appeal remains unsatisfied or not bonded of record for thirty (30) days after receipt by Franchisee of actual or constructive notice thereof, and the amount of such judgment exceeds Fifty Thousand Dollars ($50,000) or ten percent (10%) of Franchisee’s Gross Receipts for the preceding Anniversary Year, whichever is less;

c. If (i) Franchisee has knowingly either inaccurately reported or withheld the reporting of Gross Receipts twice within twelve (12) consecutive calendar months, or if (ii) a Principal has knowingly and directly caused or authorized Franchisee to either inaccurately report or withhold the reporting of any Gross Receipts;

d. If Franchisee violates the transfer provisions of this Agreement or otherwise sells, assigns, transfers or encumbers the Marks without the prior written consent of Franchisor as provided above;

e. If the franchise Club is closed for health sanitation or other governmental reasons by appropriate authorities or if licenses necessary to operate the Club are suspended or revoked, and such licenses or substitute licenses have not been reinstated within seven (7) days thereafter;

f. If Franchisee defaults in any material obligation twice previously within the preceding twelve (12) months with respect to the same or similar breach; or

g. If Franchisee defaults in its obligation to permit Franchisor or its representative or agents to examine or audit books of accounts, bank statements, documents, records, papers or tax return records under this Agreement.

h. If Franchisee re-identifies its Club under marks other than the Marks of KENNEDY'S.

10.3 **Termination with Notice.**

a. If Franchisor gives Franchisee written notice to cure a violation of this Agreement, Franchisee shall commence such cure within twenty-four (24) hours and must effect a complete cure and remedy the damage caused by such violation as fully as possible in the shortest possible time, in no event more than seven days; and Franchisee shall take action to prevent recurrence of the same type of violation. Franchisor may terminate this Agreement if (i) Franchisee previously received notice of two violations of the same or a similar type within the preceding twelve (12) months, (ii) Franchisee fails to comply with the preceding sentence, provided that if the sole reason for such noncompliance is that such violation was impossible to cure, Franchisor may terminate this Agreement only if Franchisee received notice of one prior violation under this section within the preceding twelve (12) months, or (iii) a Principal directly caused or authorized a violation which materially impaired the goodwill associated with the Marks In Franchisee's geographical area, and either he or she did so knowingly, or Franchisee failed to comply with the preceding sentence, or a Principal had done so once previously within the preceding twelve (12) months. Franchisor may terminate this Agreement if Franchisee uses the Marks in any manner that is not permitted by this Agreement, or takes any action that incorrectly indicates that certain products or services are associated with the Marks, and Franchisee fails to cure such violation within twenty-four (24) hours of receipt of written notice by Franchisor to cure.

b. With respect to any default by Franchisee of its obligation to pay any sums due Franchisor under this Agreement, Franchisor may terminate this Agreement upon not less than seven days prior written notice of such default. If Franchisee cures said default prior to the end of such period, Franchisor's right to terminate shall cease with respect to the breach that has been cured.

c. Except as otherwise expressly provided herein, Franchisor may terminate this A Agreement only upon thirty (30) days prior written notice to Franchisee setting forth the breach complained of in this Agreement or any other agreement to which both Franchisor or any of its affiliates and either Franchisee or any of its affiliates or Principals are Party. Upon receipt of such notice, Franchisee shall immediately commence diligently to cure said breach, and if Franchisee shall cure said breach during such period, Franchisor's right to terminate this Agreement shall cease; provided, however, that if, because of the nature of said breach, Franchisee shall be unable to cure the same within said thirty (30) day period, Franchisee shall be given such additional time as shall be reasonably necessary within which to cure said breach, not to exceed an additional thirty (30) days, upon condition that Franchisee shall, upon receipt of such notice from Franchisor, immediately commence to cure such breach and continue to use its best efforts to do so.

d. A material violation of this Agreement shall mean any action or omission by Franchisee that impairs or adversely affects the System, Franchisor, Franchisee, or the relationship created by this Agreement without limitation, each of the following events, along with the events set forth in above are deemed a material violation of this Agreement. The parties acknowledge, however, that these events do not represent an exhaustive list of material violations of this Agreement, and additional events may occur which individually, or in combination with other events, may constitute a material violation of this Agreement.

It shall be a material violation of this Agreement:

(1) If Franchisee fails to pay any sum due Franchisor;

(2) If Franchisee fails to perform any material provision of a lease or sublease covering the Club premises;

(3) If the lease or sublease covering the Club premises is terminated or expires and Franchisee fails or is unable to locate suitable replacement premises satisfactory to Franchisor prior to the effective date of such termination or expiration;

(4) If Franchisee is convicted of a felony or any other criminal misconduct which Franchisor deems relevant to the operation of the Franchise;

(5) If Franchisor makes a reasonable determination that the continued operation of the Franchise by Franchisee will result in immediate danger to public health or safety;

(6) If Franchisee fails to deliver to Franchisor any of the periodic reports required in this Agreement;

(7) If Franchisee violates any of the provisions of this Agreement relating to use of Franchisor's Marks;

(8) If Franchisee Abandons the franchise Club;

(9) If Franchisee closes or relocates the Club, except as otherwise provided for in this Agreement;

(10) If Franchisee fails to maintain an independent contractor relationship with Franchisor;

(11) If Franchisee has knowingly either inaccurately reported or failed to report any information as part of its application or qualification as a Franchisee; or

(12) If Franchisee or any Principals commit an act, or permit an act to be committed, that violates any federal, state or local law.

10.4 **Description of Default.** The description of any default in any notice served by

Franchisor hereunder upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

10.5 **Statutory Limitations.** Notwithstanding anything to the contrary in this Article, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth herein, and in the event the parties are prohibited by law from agreeing to the shorter periods set forth herein, then this Agreement shall be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected shall be amended only to the extent necessary to bring it within the requirements of the law or regulation.

10.6 **Extended Cure Period.** Notwithstanding anything contained herein to the contrary, in those circumstances under which Franchisor shall have the right to terminate this Agreement, Franchisor shall have the right, to be exercised in its sole discretion, to grant to Franchisee, in lieu of immediate termination of this Agreement, an extended period of time to cure the breach which gave rise to Franchisor's right to terminate, but in no event shall such extended cure period exceed six (6) months from the last day of the cure period otherwise applicable to such breach. Franchisee acknowledges that Franchisor's election to grant such an extended cure period to Franchisee shall not operate as a waiver of any of Franchisor's rights hereunder.

10.7 **Continuance of Business Relations.** Any continuance of business relations between Franchisor and Franchisee after termination of this Agreement shall not be construed as a renewal, extension or continuation of this Agreement.

ARTICLE 11
Dispute Resolution

11.1 **Dispute Resolution.**

a. Franchisor and Franchisee have entered into a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, in light of the overall best interests of the System, as contemplated by this Agreement. To that end, Franchisor and Franchisee acknowledge that they need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisor and Franchisee are an important aspect of that obligation. The provisions of this Article are intended to facilitate such communication and the prompt resolution of any disagreements or disputes between the parties. To the extent any element or aspect of this Article is found, under applicable law, to be unenforceable in any way, it shall not be deemed void but, if possible, shall be enforced to the fullest lawful extent and all other provisions of this Article shall remain in full force and effect.

b. Except for the disputes described in section 11.2 of this Agreement and except as otherwise specifically modified by this Article 11, any dispute between (i) Franchisor and (ii) Franchisee and any of its equity owners, arising out of, relating to or referencing this Agreement or its breach in any way, including without limitation, any claim sounding in tort arising out of the relationship created by this Agreement, and any claim that this Agreement or any other of its parts is invalid, illegal or otherwise voidable or void, is subject to the dispute resolution provisions set forth in this Agreement.

c. "Affiliates", as used in this Article 11, includes without limitation all shareholders, partners, owners, direct and indirect parents and subsidiaries, all affiliates thereof, and all officers, directors, employees and agents of the foregoing, acting in the course of conducting business activities related to Franchisor or Franchisee, as the case may be.

11.2 **Disputes Not Subject To Alternative Dispute Resolution.** The following disputes are not subject to the procedures stated in sections 11.3 and 11.4 of this Agreement:

a. Any disputes relating to: (i) Franchisee's use of the Marks, or any other mark in which Franchisor or any of its affiliates has an interest; (ii) acts which otherwise violate Franchisee's obligations under Article 6 of this Agreement; or (iii) conduct which is alleged to otherwise infringe the intellectual property rights of Franchisor or any of its affiliates;

b. Any dispute for which Franchisor is entitled to terminate this Agreement without prior notice under section 10.2 of this Agreement;

c. Any dispute in any way relating to the scope, application or enforceability of this Article 11;

d. Any dispute, other than those enumerated above, in which temporary or preliminary injunctive relief is sought, but only to the extent of proceedings for such relief; and

e. Any dispute with Franchisor regarding the validity of the Marks or disparagement by Franchisee of the Marks.

11.3 **Mandatory Settlement Conferences.**

a. If a dispute arises under this Agreement or in respect of the relationship between Franchisor and Franchisee, within ten (10) days after either Party sends to the other a written notice of dispute, a principal of each Party shall meet (without attorneys being present) and conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If the parties are unable to do so at the initial settlement conference, they shall meet again (without attorneys being present) within five (5) days thereafter and conduct a second good faith discussion and negotiation of the issues with a view to arriving at a settlement.

b. The object of any settlement conference under this section is to assist the parties in reaching a mutually acceptable resolution of the dispute. Such settlement conferences shall, in all circumstances, be consistent with the rights and obligations created by this Agreement and shall not be premised on the derogation or diminution of those rights or disregard of those rights. Any and all discussions, negotiations, findings or other statements by the parties made in connection with the settlement conferences shall be privileged and confidential and shall not be admissible into evidence in any ensuing arbitration or litigation.

c. All settlement conferences between Franchisor and Franchisee shall take place in Massachusetts, in the county where the principal place of business of Franchisor is then located.

11.4 **Arbitration.**

a. Except disputes not subject to alternative dispute resolution as specifically set forth in section 11.2 above, and only after full compliance with section 11.3 above, any dispute between (i) Franchisor or its related entities, and (ii) Franchisee or a Principal or any of its related entities, arising out of or relating to this Agreement or its breach, including without limitation, any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with section 11.3 hereof, will be resolved by submission to binding arbitration before one arbitrator from the list of panelists having franchise experience and referred by Judicial Arbitration and Mediation Services ("JAMS") and selected by the parties in accordance with JAMS' (I) Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than Two Hundred Fifty Thousand Dollars ($250,000), or (II) Comprehensive Arbitration Rules and Procedures (if the amount in controversy is Two Hundred Fifty Thousand Dollars ($250,000) or more. Each Party shall bear its own costs and expenses in preparing for and participating in the arbitration hearing except that each Party shall pay one-half of the compensation payable to the arbitrator, one-half of any fees to JAMS and one-half of any other costs related to the hearing proceedings. Both parties may by mutual agreement select a different Arbitration Group. THE ARBITRATOR HAS NO AUTHORITY TO UNILATERALLY AMEND OR DELETE ANY PROVISION OF THIS AGREEMENT. The arbitrator shall have the authority to award attorney's fees to the prevailing Party and shall be required to do so. The arbitration award shall be final and binding on the parties, and judgment on the award may be entered in any State court having Jurisdiction. It is explicitly agreed by each of the parties hereto that no such arbitration shall be commenced except in conformity with this section 11.4.

b. Except as specifically modified by this Article 11 and section 14.1 hereof, Massachusetts law shall be applied to determine all arbitrated Issues. The Federal Arbitration Act (9 U.S.C. §1 et *seq.)* and the federal common law of arbitration govern the enforceability of the agreement to arbitrate contained herein. All hearings and other proceedings shall take place in Massachusetts, or other county where the principal place of business of Franchisor is then located.

c. This arbitration provision shall be deemed to be self-executing and shall remain in full force and effect after expiration or termination of this Agreement. Franchisor and Franchisee agree that arbitration proceedings will be conducted individually by a single claimant, and not as a class or by multiple domains in one action. In the event either Party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such Party by default or otherwise notwithstanding said failure to appear. Judgment upon an arbitration award may be entered in any court having competent Jurisdiction and shall be binding, final and non-appealable.

d. The provisions of this section 11.4 shall be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent Jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

Franchisor's Initials: ____________ Franchisee's Initials: ____________

Principal's Initials: ____________

11.5 **Court Proceedings.**

a. If the dispute is within the purview of section 11.2, either Party may avail itself of the right to seek relief from a court of competent jurisdiction in Massachusetts, in accordance with the provisions of this Article 11.

b. If, in an action commenced in a court pursuant to section 11.2 of this Agreement, a Party seeks temporary or preliminary injunctive relief, the court hearing the matter shall proceed to adjudicate the issues before it with respect to such relief and shall not delay the entry of any order with respect to such relief; provided, however, that except for matters fully determined in connection with proceedings for temporary or preliminary relief, the dispute resolution procedures set forth herein shall be used. If in an action commenced in court pursuant to section 11.2, the opposing Party shall raise a legally sufficient claim by way of defense, cross-claim or counterclaim which is otherwise subject to the dispute resolution provisions of this Article 11, the court hearing the matter shall proceed to adjudicate the issues before it; provided, however, that the court may elect to use the dispute resolution procedures set forth herein with respect to any such defense, counterclaim or cross-claim to the maximum extent feasible, so long as the use of all such dispute resolution procedures may be completed within sixty (60) days from the date the matter is referred to the arbitrator for that purpose.

c. All legal actions including arbitration must be brought by a single Party and cannot be brought in a class.

11.6 **Venue; Submission of issues to Court; Limitation of Damages.** The parties hereby agree that in view of the fact that the books, records and business personnel of Franchisor are located, for the most part, in Franchisor's headquarters, and in order to minimize disruption or interference with operation of the franchise system as a whole, Franchisee and Franchisor agree as follows:

a. Any and all court proceedings arising from matters described in section 11.2 hereof shall be brought in, and only in, a state court of competent jurisdiction in Massachusetts. Franchisor and Franchisee hereby consent to the exercise of Jurisdiction by such state court.

b. The Parties agree that all disputes submitted to state court pursuant to section 11.2 shall be tried to the state court sitting without a jury, notwithstanding any state or federal constitutional or statutory rights or provisions.

c. No punitive or exemplary damages shall be awarded against Franchisor, Franchisee, any Principal, or entities related to any of them, in arbitration proceedings, court actions or otherwise under this Article 11, and all claims to such damages are hereby waived. However, the state court is authorized and empowered to award costs and attorney's fees to the prevailing Party.

Franchisor's Initials: ____________ Franchisee's Initials: ____________

Principals' Initials: ____________

ARTICLE 12
Obligations and Rights Upon Termination or Expiration

12.1 **Franchisee's Obligations.**

a. Except as otherwise set forth with respect to assignment by Franchisor of any or all of its interest in this Agreement, in the event of termination or expiration of this Agreement whether by reason of Franchisee's breach, default, non-renewal, lapse of time, or other cause, in addition to any other obligations provided for in this Agreement, Franchisee shall within seven days discontinue the use or display of the Marks in any manner whatsoever and all materials containing or bearing same and shall not thereafter operate or do business under the Business Name or any other name or in any manner that might tend to give the general public the impression that Franchisee is in any way associated or affiliated with Franchisor, or any of the businesses conducted by Franchisor. In such event, Franchisee also shall comply with the terms of the standard De-Identification Checklist (the form is attached as Attachment 5) and section 12.2 respecting the return to Franchisor of certain materials and shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of Franchisor's trade secrets, procedures, techniques, or materials acquired by Franchisee by virtue of the relationship established by this Agreement, including, without limitation, (i) any training or other materials, manuals, bulletins, instruction sheets, or supplements thereto, or (ii) any equipment, videotapes, video discs, forms, advertising matter, marks, devices, insignias, slogans or designs used from time to time in connection with the Franchise Business. At such time as requested by Franchisor, Franchisee shall make its books and records available to Franchisor's representatives who shall conduct a termination audit. If Franchisee fails to complete within thirty (30) days after the date of termination Franchisee's de-Identification from the KENNEDY'S system and a termination inspection, Franchisee must pay a fee of One Thousand Dollars ($1,000) for each day thereafter until the termination inspection and de-identification have been completed.

b. If there is a termination or expiration as described in section 12.1(a) above, Franchisee shall promptly de-identify as a franchisee, fully complying with the De-Identification Checklist attached as Attachment-5 and other de-identification procedures listed in the Operations Manual, including without limitation the following:

(1) Remove at Franchisee's expense all signs erected or used by Franchisee and bearing the Marks, or any word or mark indicating that Franchisee is associated or affiliated with Franchisor;

(2) Erase or obliterate from letterheads, stationery, printed matter, advertising or other forms used by Franchisee the Marks and all words indicating that Franchisee is associated or affiliated with Franchisor;

(3) Permanently discontinue all advertising of Franchisee to the effect that Franchisee is associated or affiliated with Franchisor;

(4) Refrain from doing anything which would indicate that Franchisee is or ever was an authorized Franchisee including, without limitation, indicating, directly or indirectly, that Franchisee was licensed to use the Marks or any other distinctive System features or that Franchisee at any time operated under any name, word or mark associated or affiliated with Franchisor;

(5) If Franchisee engages in any business thereafter, it shall use trade names, service marks or trademarks (if any) which are significantly different from those under which Franchisee had done business and shall use sign formats (if any) which are significantly different in color and type face; and take all necessary steps to ensure that its present and former employees, agents, officers, shareholders and partners observe the foregoing obligations; and

(6) Assign all interest and right to use all telephone numbers and all listings applicable to the Franchise Business in use at the time of such termination to Franchisor and take all action necessary to change all such telephone numbers immediately and change all such listings as soon as possible.

c. If Franchisee shall fail or omit to make or cause to be made any removal or change described in section 12.1(b) above, then Franchisor shall have the right to enter upon Franchisees premises upon which the Franchise Business is being conducted without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and changes at the expense of Franchisee, which expense Franchisee agrees to pay to Franchisor promptly upon demand; and Franchisee hereby irrevocably appoints Franchisor as its lawful attorney upon termination of this Agreement with authority to file any document in the name of and on behalf of Franchisee for the purpose of terminating any and all of Franchisees rights in the Business Name and any of the Marks.

d. If the franchise Club is abandoned or otherwise closed for a period of seven consecutive days without Franchisor's prior written consent, Franchisee shall promptly take action to remove any indication that the Club is associated or affiliated with either Franchisee or Franchisor, and remove at Franchisee's expense all signs erected or used by Franchisee on, in or in connection with such Club and bearing either the Marks or any word or mark indicating that such Club is associated or affiliated with either Franchisee or Franchisor, except as otherwise required by law.

e. For two (2) years after termination, assignment, cancellation or expiration of this

Agreement, Franchisee and Franchisee's principals agree not to engage in any men's barber or men's grooming business within two-hundred fifty (250) miles of the KENNEDY'S Club Location or any other KENNEDY'S Club. Should this restriction violate the laws of the Commonwealth of Massachusetts or any state, the maximum restriction permitted in Massachusetts governs this provision.

12.2 **Rights of Franchisor and Franchisee.** The expiration or termination of this Agreement shall be without prejudice to any rights of Franchisor against Franchisee and such expiration or termination shall not relieve Franchisee of any of its obligations to Franchisor existing at the time of expiration or termination or terminate those obligations of Franchisee which, by their nature, survive the expiration or termination of this Agreement.

a. Franchisee is obligated to return, at no expense to the Franchisor, any and all copies of the Operations Manual, computer equipment, video equipment, video tapes, videodiscs, software, software manuals and documentation, and any other communications media and material provided for Franchisee's use in connection with the operation of the Franchise Business.

b. Within thirty (30) days after termination or the expiration of the Franchise, Franchisor will have the option to purchase all or any portion of Franchisee's business forms as well as all other supplies, marketing materials, signs and documents using any of the Marks. Franchisor will be permitted to deduct and withdraw from the purchase price to be paid to Franchisee all sums due and owing Franchisor, including related reasonable attorneys' fees. Franchisor's purchase price for such materials will be at reasonable used equipment or used material rates, less a reasonable amount for wear and tear as determined by the parties or an independent equipment appraiser. Franchisee shall receive no payment or adjustment whatsoever for any goodwill that Franchisee may have established either prior to or during its operation of its Franchise.

c. Within thirty (30) days after termination or expiration of this Agreement, Franchisor shall have the option to purchase all or any portion of Franchisee's inventory, equipment, parts, supplies, fixtures and furnishings owned and used by Franchisee in its franchised operation. Franchisor will be permitted to deduct and withdraw from the purchase price to be paid to Franchisee all sums due and owing to Franchisor. The purchase price for any inventory of merchandise purchased by Franchisor will be in the reasonable discretion of Franchisor. Nothing contained herein shall be construed as an agreement of Franchisor to purchase any of the above items. If the parties are unable to decide on an appraiser and there is no agreement to repurchase inventory, then all KENNEDY'S Club items will be destroyed.

12.3 **Franchisor's Right to Cure Defaults by Franchisee**. In addition to all other remedies herein granted, if Franchisee shall default in the performance of any of its obligations or breach any term or condition of this Agreement or any related agreement involving third parties, Franchisor may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to Franchisee, cure such default for the account of and on behalf of Franchisee, and all costs or expenses including attorney's fees incurred by Franchisor on account thereof shall be due and payable by Franchisee to Franchisor on demand.

12.4 **Waiver and Delay.** No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect of Franchisor either to exercise any right, power or option given to it hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or the Operations Manual, shall constitute a waiver of the provisions of this Agreement or the Operations Manual with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

12.5 **Attorney's Fees and Expenses.** Should any Party hereto commence any action or proceeding for the purpose of enforcing or preventing the breach of any provision hereof, whether by judicial or quasi-judicial action, arbitration, or otherwise or any appeal there from or for damages for any alleged breach of any provision hereof, or for a declaration of such Party's rights or obligations hereunder, then the prevailing Party shall be reimbursed by the losing Party for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorney's fees for the services rendered to such prevailing Party.

ARTICLE 13
General Conditions and Provisions

13.1 **Relationship of Franchisee to Franchisor.** It is expressly agreed that the Parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of Franchisor and Franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever, nor to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees or agents hired or engaged by or working for Franchisee shall be only the employees or agents of Franchisee and shall not for any purpose be deemed employees or agents of Franchisor, nor subject to Franchisor's control; and in particular, Franchisor shall have no authority to exercise control over the hiring or termination of such employees, independent contractors, or others who work for Franchisee, their compensation, working hours or conditions, or the day-to-day activities of such persons, except to the extent necessary to protect the Marks. Franchisee agrees to respond to customer indications of dissatisfaction with services rendered by Franchisee in a diligent and professional manner and agrees to cooperate with representatives of Franchisor in any investigation undertaken by Franchisor of complaints respecting Franchisee's activities. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees or agents and operations, saving and indemnifying the other Party hereto of and from any liability of any nature whatsoever by virtue thereof.

13.2 **Indemnity.** Except as otherwise expressly provided, Franchisee hereby agrees to protect, defend and indemnify Franchisor, and their direct or indirect parents, subsidiaries, affiliates, designees, officers and directors and hold each and all of them harmless from and against any and all costs and expenses actually incurred by them or for which they are liable, including attorney's fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature, and including those incurred pursuant to a settlement entered into in good faith, arising out of or in connection with the Franchise Business, including specifically without limitation any claim or controversy arising out of (1) Any injury occurring at Franchisee location; (2) A misrepresentation of any kind by Franchisee, their employees and agents; (3) A physical or monetary injury caused by Franchisee or agent; (4) A breach of any agreement, law, rule or regulation by Franchisee. (i) any Transfer by Franchisee, (ii) acts or omissions of Franchisee which are not in strict compliance with this Agreement and the Operations Manual in respect of use or display of the Marks, or (iii) acts or omissions of Franchisee which tend to create an impression that the relationship between the parties hereto is other than one of Franchisor and Franchisee. Notwithstanding the foregoing, Franchisee shall have no obligation to protect, defend or indemnify Franchisor, or their direct or indirect parents, subsidiaries, affiliates or designees from and against any such costs or expenses arising from conduct of Franchisor found to be willful, malicious or grossly negligent.

13.3 **Survival of Covenants.** The covenants contained in this Agreement which by their terms require performance by the parties after the expiration or termination of this Agreement shall be enforceable and survive notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

13.4 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Franchisor and shall be binding upon and inure to the benefit of the Franchisee and its or their respective heirs, executors, administrators, successors and assigns, subject to the restrictions on Assignment by Franchisee contained herein.

13.5 **Joint and Several Liabilities.** If Franchisee consists of more than one person or entity, or a combination thereof, the obligation and liabilities to Franchisor of each such person or entity are joint and several.

13.6 **Counterparts**. This Agreement may be executed in any number of copies, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

13.7 **Notices.**

a. All notices which the parties hereto may be required or may desire to give under or in connection with this Agreement shall be in writing and shall be either delivered in person or sent by reliable overnight delivery service, for delivery on the next business day and addressed as follows:

If to Franchisor.

KENNEDY'S INTERNATIONAL FRANCHISING, LLC
11 Apex Drive, Suite 300A
Marlborough, MA 01752

If to Franchisee, to the address indicated in section 16.2(c) hereof.

If to a Principal, to his or her address as set forth in Attachment 4 attached hereto.

b**.** The addresses herein given for notices may be changed at any time by either Party by written notice given to the other Party as herein provided. Notices shall be deemed given upon the earlier of (i) when actually delivered in person or (ii) the next business day after deposit with a reliable overnight delivery service for delivery on the next business day.

ARTICLE 14

Construction of Agreement

14.1 **Entire Agreement: Modification Integration.** This Agreement and Franchise Operations Manual contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements, oral or otherwise, shall be deemed to exist or to bind any of the parties hereto and all prior agreements and understandings are superseded hereby. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement. Franchisee agrees that it has executed this Agreement without reliance upon any such unauthorized representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto. Nothing in this Agreement or related agreement is intended to disclaim the representations made by the Franchisor in the Franchise Disclosure Document.

14.2 **Titles for Convenience Only.** Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement

14.3 **Gender.** All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts or context of this Agreement or any section may require.

14.4 **Severability.** Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or the Operations Manual and any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter shall prevail, but in such event the provision of this Agreement or the Operations Manual thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, section, sentence or clause of this Agreement or the Operations Manual shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining parts thereof shall continue in full force and effect, unless said provision pertains to the payment of fees pursuant to this Agreement, in which case this Agreement shall terminate.

14.5 **No Third-Party Beneficiaries.** This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity shall be entitled to any rights hereunder by virtue of so-called "third party beneficiary rights" or otherwise.

ARTICLE 15
Submission of Agreement

The submission of this Agreement to Franchisee does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY THE PRESIDENT OR OTHER EXECUTIVE OFFICER OF FRANCHISOR. THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL AND UNLESS FRANCHISEE SHALL HAVE BEEN FURNISHED BY FRANCHISOR WITH ANY DISCLOSURE, IN WRITTEN FORM, AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE LAW.

ARTICLE 16

Acknowledgements and Representations of Franchisee

16.1 Acknowledgements. Franchisee shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Franchisee's acknowledgements are an inducement for us to enter into this Agreement. Franchisee shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

16.2 Guaranty. If any Franchisee or Principal is a married individual and the Franchisee's or Principal's spouse has not executed this Agreement, such Franchisee or Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 5 hereof.

16.3 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents included in Attachment 12 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers, listings, and passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

16.4 Additional Information Respecting Franchisee.

a. Attached hereto as Attachment 3 is a schedule containing complete information respecting the owners, partners, officers and directors, as the case may be, of Franchisee.

b. The address where Franchisees financial and other records are maintained is:

c. Franchisee has delivered to Franchisor complete and accurate copies of all organizational documents relating to Franchisee, including without limitation all partnership agreements, certificates of partnership, articles or certificates of incorporation, by-laws and shareholder agreements, including all amendments, side letters and other items modifying such documents.

d. The initial term of this Agreement expires on ______________________.

-Remainder of Page Intentionally Blank-

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date first above written:

FRANCHISEE:__________________

By:____________________________
Name, Title: ____________________

PRINCIPALS:

By:____________________________
Name: _________________________

By:____________________________
Name: _________________________

FRANCHISOR:

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

By:___________________________________
Jay Hummer, President & CEO

List of Attachments to Franchise Agreement:

ATTACHMENT 1

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Franchisee hereby acknowledges the following:

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

_____ Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____ Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____ Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____ Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

______
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

______
Initial

7. Franchisee acknowledges that it has received the Kennedy's International Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

______
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

______
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

______
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

______
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE KENNEDY'S INTERNATIONAL FRANCHISING, LLC, FIRMITAS ENTREPRENEURIAL DEVELOPMENT, AND ANY OF ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

FRANCHISEE:
PRINCIPAL:

________________________	______________________________
By:______________________	______________________________ (Print Name)
____________,____________ (Print Name, Title)	Date: _________________________
Date:____________________	
	PRINCIPAL:
	______________________________
	______________________________ (Print Name)
	Date: _________________________

<u>Attachment 2</u>

Franchise Trade Area

TBD during due diligence period and to be inserted prior to signature along with development timelines/opening requirements.

Attachment 3

Lease Assignment Agreement

This Lease Assignment Agreement ("Agreement") is made this ____ day of ______________ _______, 20____, by and between KENNEDY'S International Franchising Real Estate, LLC, a Florida Limited Liability Company (hereinafter referred to as "KRE"), Kennedy's International Franchising, LLC, a Florida Limited Liability Company (hereinafter referred to as "Franchisor", ____________________________ ________________________________(hereinafter referred to as "Franchisee"), ____________________ ___________________________, an individual (hereinafter referred to as "Guarantor"), and ________________ ____________________(hereinafter referred to as "Landlord") involving the KENNEDY'S Club (hereinafter "Club") to be located at ____ (hereinafter "Franchise Location"), hereinafter collectively as the "Parties" and individually as a "Party".

WHEREAS, on ______________, 20____, Franchisee and Landlord entered into a Lease Agreement ("Lease"), a fully executed copy of which is to be attached hereto as Attachment 1, pursuant to the terms of which Franchisee leased the Franchise Location from Landlord to operate a Club thereon; and

WHEREAS, on ______________________, 20___, Franchisor and Franchisee executed a Franchise Agreement pursuant to the terms of which Franchisee obtained a Franchise Location from Franchisor to operate a Club at the Franchise Location; and

WHEREAS, the Parties desire to enter into this Agreement to define the Parties' rights in and to the Franchise Location and to protect the Parties' interests in the continued operation of the Club at the Franchise Location during the entire term of the Lease, and any and all renewals and extensions thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. Whereas Clauses. The foregoing Whereas Clauses are ratified and confirmed as being true and correct and are made a specific part of this Agreement.

2. Assignment. Franchisee hereby assigns, transfers, and conveys to KRE all of its right title and interest in and to the Lease; however, this Assignment shall become effective only upon KRE's exercise of the option granted to KRE subsequent to the occurrence of any of the following events:

a. **Default of Lease**. If Franchisee shall be in default in the performance of any of the terms of the Lease, unless such default is cured within the period required in the Lease or within ten (10) days following written demand given by KRE, whichever is sooner; or

b. **Default of Franchise Agreement.** The occurrence of any acts which would result in immediate termination as specified in the Franchise Agreement or the continuance beyond the period or periods specified in the Franchise Agreement or any other default by Franchisee in the performance of the Franchise Agreement, particularly in failing to make the payments required under the Franchise Agreement; or

c. **Non-exercise of Option to Renew or Extend.** If Franchisee shall have had an option to renew or extend the Lease and shall have failed or elected not to do so within the time specified in the Lease for such renewal or extension, after having been directed in writing by KRE to do so;

d. **Sale of Club.** Upon the sale of Franchisee's entire right, title and interest in and to the Club conducted at the Franchise Location as a going concern.

3. Exercise of Option by KRE. KRE shall exercise the option granted in Paragraph 2.b. hereinabove and thereby make this Assignment unconditional by giving written notice to Franchisee and Landlord of its exercise of said option in the manner specified in this Paragraph and by thereafter delivering to Landlord, within ten (10) business days after Landlord requests the same, a written Assumption of the obligations of the Lease.

KRE shall have the right, concurrently with or subsequent to exercise of the option granted herein, to assign and transfer KRE's rights under this Agreement to a new Franchisee selected by Franchisor to operate the Club, with the prior written consent of Landlord, which shall not be unreasonably withheld, provided that such new Franchisee shall have a credit rating and a net worth adequate for the operation of the Club. In such event, such new Franchisee shall obtain the Assignment of the Lease and shall assume the obligations of the Lease in place and instead of KRE.

4. Consent to Assignment. Landlord hereby consents to this Assignment, which consent shall remain in effect during the entire term of the Lease and any and all renewals or extensions thereof, and agrees that the Lease shall not be amended, assigned, extended or renewed, nor shall the Franchise Location be sublet by Franchisee, without KRE's prior written consent.

5. Termination of Rights of Franchisee. Upon the exercise of the Option under Paragraph 3 hereinabove, Franchisee shall no longer be entitled to the use or occupancy of the Franchise Location; all of Franchisee's rights in and to the Lease will have been, in all respects, terminated and, by the terms of this Agreement, assigned to KRE or KRE's assignee.

6. Vacating of Franchise Location. Franchisee shall immediately vacate the Franchise Location within the period permitted by the Lease; however, in the event that Franchisee shall fail or refuse to do so, KRE shall have the right to enter the Franchise Location and take possession of the Franchise Location.

7. Indemnification. Franchisee and Guarantor hereby agree to indemnify and hold Franchisor, KRE, and Landlord harmless from and against any and all loss, costs, expenses, (including attorneys' fees), damages, claims and liabilities, however caused, resulting directly or indirectly from, or pertaining to the exercise by KRE and/or Landlord of the rights and remedies granted under this Agreement.

8. Remedies Cumulative. The remedies granted pursuant to this Agreement are in addition to and not in substitution of any or all other remedies available at law or in equity to the Parties.

9. Notices. All notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, addressed as follows:

KRE: 1 East Main Street, Northborough, MA 01532

FRANCHISOR: 1 East Main Street, Northborough, MA 01532

FRANCHISEE: ____

GUARANTOR:____

LANDLORD: ____

Any party may change its or his address by giving notice of such change of address to the other parties. Mailed notices shall be deemed communicated within three (3) business days from the time of mailing if mailed as provided herein.

10. Miscellaneous.

a. **Injunctive Relief**. Franchisee and Landlord recognize the unique value and secondary meanings attached to the Club, Franchisor's trademarks, trade names, service marks, insignia and logo designs and the Franchise Location displaying same and agree that any noncompliance with the terms of this Agreement will cause irreparable damage to Franchisor and its franchisees. Franchisee and Landlord therefore agree that in the event of any noncompliance with the terms of this Agreement, Franchisor and KRE shall be entitled to apply for both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law including an unlawful detainer action.

b. **Further Acts.** The Parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

c. **Heirs and Successors.** This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, successors and assigns.

d. **Entire Agreement.** This Agreement represents the entire understanding between the Parties regarding the assignment of lease rights. This Agreement may not be modified except by a written instrument signed by all Parties.

e. **Waiver**. Failure by any party to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

f. **Headings**. The headings used herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders; the singular shall include the plural; and the plural shall include the singular.

g. **Execution by Franchisor**. This Agreement shall not be binding on KRE unless and until it shall have been accepted and signed by an authorized officer.

h**. Attorneys' Fees.** If any Party commences an action against any other Party arising out of or in connection with this Agreement, the prevailing Party shall be entitled to have and recover from the other Party its reasonable attorneys' fees and costs.

11. Governing Law, Dispute Resolution. This Agreement and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of Massachusetts. In the event of a dispute regarding this Agreement or the respective rights of the parties hereunder, except those related to Paragraphs 6 and 10 a., the parties agree to submit such dispute exclusively to binding arbitration in Massachusetts before a professional arbitrator selected by the parties or, if the parties cannot agree on an arbitrator, appointed by the court. Any such arbitration shall be commenced within fifteen (15) days of selection of the arbitrator and the discovery rules contained in the Massachusetts Rules of Civil Procedure shall apply to all such proceedings.

12. Counterparts. Each party may sign a separate counterpart of this contract. All such counterparts, taken together, shall constitute one and the same instrument. Further, the signature pages from the separate counterparts may be attached to one counterpart.

By executing or causing the execution of this Agreement, Client acknowledges that Client has read and understands the contents set forth herein, accepts the terms and conditions hereof subject only to subsequent final acceptance of Counsel, and that the individual signing on behalf of Client has full authority to do so. This Agreement is not final or binding until accepted by signature of Counsel in the space provided below.

13. Severability. If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the Parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

14. E-mail Transmissions. The Parties agree that E-mail Transmission and retransmission of any signed original document is the same as the delivery of the original document. This includes the delivery of all transaction documents, including the acceptance of notices, disclosures, assignments, and so forth.

15. Guaranty. The Guarantor agrees to guaranty, individually, the terms and conditions of the obligations and performance set out hereinabove.

IN WITNESS WHEREOF, the parties have executed this Agreement at on the date first shown above.

LANDLORD:	**KENNEDY'S INTERNATIONAL REAL ESTATE, LLC:**
By:________________________	By: ________________________
(Signature)	(Signature)
________________________	________________________
(Printed Name and Title)	(Printed Name and Title)

KENNEDY'S INTERNATIONAL FRANCHISING, LLC:

By:________________________
(Signature)

____
(Printed Name and Title)

FRANCHISEE:

By:___________________________________
(Signature)

____
(Printer Name and Title)

GUARANTOR:

By:___________________________________

____
(Printer Name and Title)

Attachment 4

Names and Addresses of Equity Owners, Directors and Officers

1. If the prospective franchisee is a sole proprietorship, list below the name and the residence address of the sole owner

____

____

____

2. If the prospective franchisee is a partnership, list below the names, residential addresses and respective percentage ownership interests in the partnership of each partner (and whether any partner is a managing partner) and submit a copy of the partnership agreement, if any, to FRANCHISOR (if more space is required, attach additional sheets hereto):

a. ____________________	b. ____________________
____________________	____________________
____________________	____________________
____________________	____________________
%____ ____________________	____________________ ___%
c. ____________________	d.____________________
____________________	____________________
____________________	____________________
____________________	____________________
% ___ ____________________	____________________ ___%

FRANCHISEE INITIAL HERE ( )
( )

3. If the prospective franchisee is a corporation or limited liability company ("LLC"), list below the names, residential addresses and percentage ownership of each shareholder of the corporation or member of the LLC (more space is required, attach additional sheet hereto):

a.______________________ b. ______________________

c.______________________ d.______________________

4. If the prospective franchisee is a corporation or LLC, list below the names and residential addresses of each director of the corporation or manager of the LLC, if not previously provided herein (if more space is required, attach additional sheets hereto):

a.______________________ b.______________________

c.______________________ d.______________________

FRANCHISEE INITIAL HERE ( )
( )

5. If the prospective franchisee is a corporation or LLC with officers, list below the names, residential addresses and respective offices of each applicable officer listed below, if not previously provided herein (list other officers on additional sheets attached hereto):

a. President: b. Secretary:

______________________ ______________________

______________________ ______________________

c. Vice President: d. Treasurer:

______________________ ______________________

______________________ ______________________

FRANCHISEE INITIAL HERE ( )

ATTACHMENT 5

GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on____ ____________ to Kennedy's International Franchising, LLC, a Florida limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchisee Agreement") with ________________________________ ____________, a(n) ___________________________________, ___________________________________ and __ ______________________________(collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Article 6 and Attachment 7 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE’S PRINCIPAL:

____

Print Name: ______________________________

<u>Attachment 6</u>

De-Identification Checklist

CONFIDENTIAL

1. Date:____
2. Franchise Agreement Date:____________________________________
3. Franchisees names:____
4. Master Developers name:_____________________________________
5. Address of location:____
6. Escrow Instructions:____
7. First right of refusal
8. Reason for de-Identification:______________________________
9. Lease assignment designate new tenant, inventory and submit to Franchisor for consent
10. Date of proposed closing: ____________________________________
11. De-Identification Inspection (to occur within 30 days of closing)
12. Profit & Loss statements from club opening to present.
13. Physical inventories from club opening to present.
14. Audit compliance
15. Royalties and marketing current and paid in full to Franchisor
16. Owners names and addresses which will be assuming the location:

    ____

    ____

    ____

17. Owners names, addresses, and business name which will be assuming the location:

    ____

    ____

    ____

18. Operations Manuals discontinue using, inventory, and return to Franchisor.

19. Marketing materials since club inception discontinue using, inventory and return to Franchisor.

20. Telephone numbers, websites, email addresses which reference the Franchisor location, discontinue using, and assign to Franchisor.

21. Exterior and interior signage, graphics, logos, door signs, window displays, hour signs, directional signage, and any other graphics remove, destroy, and provide photographs to Franchisor.

23. In club graphic materials remove, destroy, and provide photographs to Franchisor.

24. Employee handbook and all employee related printed materials returned to Franchisor.

25. Trademarks, trade names, copyright Information, and phrases discontinue using all information.

Note: All items that are specified to be inventoried and returned to Franchisor must be sent via FedEx overnight with verified tracking number. All items specified to be destroyed must be photographed afterwards indicating the process has been followed.

Attachment 7

Confidentiality/Non-Competition Agreement

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into effective the ___ day of ________________, 20__, by and between **Kennedy's International Franchising, LLC ("Company"),** located at 11 Apex Drive, Suite 300A, Marlborough, Massachusetts 01752 and____ ______("Associate"), who resides at ____ ____ ______.

RECITALS

A. The Company is engaged in the business of operating, and selling franchises for the operation of, Kennedy's Barber Club that offer men's barber and grooming services.

B. The Company has developed distinctive methods for establishing, operating and promoting their business and related licensed methods of doing business (the **"Licensed Methods")** which utilize certain confidential information, plans, methods, data, processes, marketing systems, techniques, operating procedures, advertising methods, trademarks, proprietary marks and information and know-how of the Company **("Confidential Information");** which Confidential Information may be further developed from time to time by the Company.

C. The Company and its franchisees have established substantial goodwill and an excellent reputation with respect to the quality of services available, which goodwill and reputation have been and will continue to be of major benefit to the Company.

D. Associate is or will become involved with a Kennedy's International Franchising, LLC, Business in the capacity of an officer, director, limited liability manager or member, partner, shareholder, employee, representative, or as an immediate family member of a franchisee, and will or may have access to certain Confidential Information.

E. Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with the Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

AGREEMENT

1. Confidential Information. Associate acknowledges that much of the operations, marketing, advertising and related information and materials, and procedures that are developed and utilized in connection with the operation of a Kennedy's International Franchising, LLC businesses, are the Company's Confidential Information. The Confidential Information is unique, exclusive property and a trade secret of the Company. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company. Associate further acknowledges that the Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Company has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Operations Manuals as Trade Secret. Associate understands that Confidential Information constitutes trade secrets of the Company. Confidential Information is deemed to include, without limitation, any and all information contained in the Company Operations Manuals, which may be provided as one or more separate manuals, or written instructional guides, as they are changed or supplemented from time to time, customer lists, the Licensed Methods and any information of whatever nature which gives the Company an opportunity to obtain an advantage over its competitors that do not have access to, know, or use, the confidential written materials or information.

3. Nondisclosure of Confidential Information. Associate shall not at any time (1) publish, disclose, divulge or in any manner communicate, any of the Confidential Information to any person, firm, corporation, association, partnership or any other entity whatsoever; or (2) use, directly or. indirectly, the Confidential Information for his or her own benefit, or for the benefit of any person, firm, corporation or other entity; other than to or for the use of the Company or the Company's franchise Business with which Associate is associated.

4. Noncompetition Covenant.

a. Associate covenants and agrees that (i) during the term of his or her association with the Company, a franchise of the Company or and affiliate entity, and (ii) for a period of two (2) years after the end of his or her association with a any of those entities, neither Associate nor any member of his or her immediate family, within a twenty-five (25) mile radius of the Licensed Location (as defined in the Company's Franchise Agreement) or any other Company franchise location shall:

1. have any direct or indirect interest as a disclosed or beneficial owner in a "Competitive Business," (defined below);

2. perform services *as a* director, officer, manager, employee, consultant, representative, agent or otherwise for a "Competitive Business"; or

3. divert or attempt to divert any business related to, or any customer or account of, any Company's or its franchisees or affiliates' (if any) businesses by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of any of the Company's, its franchisees or its or affiliates' (if any) businesses to any "Competitive Business" by any direct inducement or otherwise.

b. The term "Competitive Business" as used in this Agreement means any business operating or granting franchises or licenses to others to operate a business that offers men’s barber or grooming services. Notwithstanding the foregoing, nothing in this Agreement shall prohibit Associate from owning securities in a Competitive Business if the securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

c. Associate expressly acknowledges that he or she possesses skills and abilities of a general nature and has other opportunities for exploiting those skills. Consequently, enforcement of the covenants in this paragraph will not deprive Associate of his or her ability to earn a living.

d. If a court of competent jurisdiction determines that restrictions in the preceding paragraph are excessive in time, geographic scope, or otherwise, the court may reduce the restriction to the level that provides the maximum restriction allowed by law.

5. <u>Injunction.</u> Associate acknowledges and agrees that in the event of any breach or threatened breach of this Agreement by Associate, the Company shall be authorized and entitled to obtain, from any court of competent jurisdiction, preliminary and permanent injunctive relief, as well as an equitable accounting of all profits or benefits arising out of any such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

6. <u>Effect of Waiver.</u> The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

7. <u>Binding Effect.</u> This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.

8. <u>Entire Agreement.</u> This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

9. <u>Governing Law.</u> This instrument shall be governed by and construed under the laws of the state of Massachusetts.

10. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Massachusetts, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts located in Massachusetts. Both parties waive any objection to the jurisdiction of these courts or to venue in Massachusetts. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then the other state's laws shall control.

11. Severability. If any provision of this Agreement is held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason by any court of competent jurisdiction, government authority or otherwise, that holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

12. Costs of Enforcement. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if the successful party recovers judgment in any such action or proceeding, the costs, expenses and attorneys' fees shall be included as part of such judgment.

Kennedy's International Franchising, LLC	**"ASSOCIATE"**
By:____________________________	________________________________
Print Name:_______________________	Print Name:_______________________
Title:____________________________	
Business Name and Location:	Associate's Capacity with Business:
________________________________	________________________________
________________________________	________________________________
________________________________	________________________________

Attachment 8

General Release - Renewal

This General Release entered into this ______ day of ______________________ ______, 20___, by and between Kennedy's International Franchising, LLC (Franchisor) and ____(Franchisee).

Recitals

The parties entered into a franchise agreement dated ______________________.

Franchisee has requested Franchisor to renew the franchise. As a conditional of the renewal, the franchisor requires a general release of any claims the Franchisee has or may have relating to their business relationship.

Now therefore, in consideration of the renewal of the franchise agreement and other consideration, Franchisee agrees to remise, release, acquit, satisfy, and forever discharge the Franchisor, of and from all manner of action(s), cause(s) of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which Franchisee ever had, now has, or which any, affiliate, personal representative, successor, heir or assign of Franchisee, hereafter can, shall or may have, against said Franchisor, by reason of any matter, cause or thing whatsoever, from the beginning of time to the date of this instrument.

IN WITNESS WHEREOF, Franchisee has signed this agreement on the date indicated above.

________________________________	________________________________
Franchisee	By:
________________________________	
Print Name	

State of ____________________)
County of __________________)

The foregoing instrument was acknowledged by me this _ day of ______________, 20 ___ by_____ ____ who is/are personally known by me or who has/have produced:_______________________________________ as identification and who did not take an oath.

(SEAL) _______________________________________
Notary Public

State of ____________________
My Commission Expires:____________________
This instrument was prepared by:____

Attachment 9

General Release – Assignment

This General Release entered into this ___ day of _____________, 20______, by and between Kennedy's International Franchising, LLC, (Franchisor) and ____________ ____(Franchisee) .

Recitals

The parties entered into a franchise agreement dated _______________________.

Franchisee has requested Franchisor to allow the assignment of its franchise agreement. As a conditional of the assignment, the franchisor requires a general release of any claims the Franchisee has or may have related to their business relationship.

Now therefore, in consideration of the permission of the Franchisor for the Franchisee to assign its Franchise agreement and other good and valuable consideration, Franchisee agrees to remise, release, acquit, satisfy, and forever discharge the Franchisor, of and from all manner of action(s), cause(s) of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which Franchisee ever had, now has, or which any, affiliate, personal representative, successor, heir or assign of Franchisee, hereafter can, shall or may have, against said Franchisor, by reason of any matter, cause or thing whatsoever, from the beginning of time to the date of this instrument.

IN WITNESS WHEREOF, Franchisee has signed this agreement on the date indicated above.

__________________________________	__________________________________
Franchisee	By:
__________________________________	
Print Name	

State of ____________________)
County of___________________)

The foregoing instrument was acknowledged by me this ________ day of ______________, 20 ___ by ____ who is/are personally known by me or who has/have produced:____ as identification and who did not take an oath.

(SEAL) ____
Notary Public

State of ____________________
My Commission Expires:___________________________
This instrument was prepared by:____

Attachment 10

EFT (Electronic Funds Transfer Agreement)

BANK DRAFT AGREEMENT AUTHORIZATION
FOR PRE-AUTHORIZATION PAYMENTS TO
Kennedy's International Franchising, LLC

____
Account Name

____
Account Number

____
Bank Transit Number (ABA)

____
Bank Name (Please Print) ("Bank")

____
Address

Effective as of the date of the signature below, the undersigned hereby authorizes Kennedy's International Franchising, LLC ("KIF") to initiate debit entries by either electronic or paper means to the undersigned's bank Account Number listed above (at the bank indicated above as the "Bank") and authorizes the Bank to debit the same account and to make payment to Kennedy's International Franchising, LLC, __________________________ or any other address which may be dictated by KIF for any and all Royalty Fees and other fees due and owing under the Franchise Agreement. Franchisee acknowledges that Royalties and all other fees may be collected by Franchisor in the manner provided for in the Franchise Agreement.

The undersigned agrees that in making payment for such charges, the Bank's rights shall be the same as if each were a charge made and signed personally by the undersigned. The Bank shall have no obligation whatsoever regarding the calculation or verification of the amount of any payments.

This authority shall remain in full force and effect until KIF and the Bank have received a minimum of ninety (90) days advance written notice from the undersigned of the termination of authority granted herein. Until the Bank actually receives such notice, the undersigned agrees that the Bank shall be fully protected in paying any amounts pursuant to this authority. The undersigned further agrees that if any such payments are not made, whether with or without cause, and whether intentionally or inadvertently, the Bank shall be under no liability to the undersigned.

By:_____________________________________ Date______________________
Name:

Attachment 11

MSA Addendum

THIS ADDENDUM TO THE KENNEDY'S INTERNATIONAL FRANCHISING, LLC FRANCHISE AGREEMENT (this "Addendum") is made the ___ day of _________________, 20___ between Kennedy's International Franchising, LLC, a Florida limited liability company (the "Franchisor") and ________________________, a(n) _____________________________________ with a principal address located at ________________ _________________________(the "Franchisee").

WHEREAS, the parties are executing a Franchise Agreement (the "Agreement") contemporaneously with this Addendum; and

WHEREAS, Franchisor has entered into a certain Successor Master License Agreement ("SMLA") with Main Street America Advisors, Inc. ("MSA"), whose address is 105 Danbury Road, Ridgefield, CT 06870; and

WHEREAS, the SMLA grants MSA the exclusive right to sell new franchises on behalf of Franchisor in Connecticut, New York, New Jersey, Texas, and the California counties of Imperial, San Diego, Riverside, Santa Barbara, Ventura, Los Angeles, Orange, San Bernadino (south of Interstate 40 and south of State Rte. 58) (collectively, "MSA Area"); and

WHEREAS, the Agreement pertains to a Franchise Business that is to be located within the MSA Area; and

WHEREAS, the parties desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the covenants herein and for other consideration, the receipt of sufficiency of which is acknowledged, the parties hereto intending to be legally bound, do agree as follows:

1. **Revisions to the Agreement.** The Agreement is hereby amended as follows:
   c. Section 4.1 is hereby amended such that the words "payable to Franchisor" shall read, "payable to MSA".
   d. Section 4.2 is hereby deleted in its entirety and replaced with the following:

"4.2 Royalty Fee.

a. Commencing on the date the Franchise Business opens for business, a Royalty Fee is due based on the number of Barber chairs open in the Club. The Royalty Fee is Five Hundred Ninety-Five Dollars ($595) per chair per month. The minimum number of chairs shall be (i) six (6) chairs (equating to Three Thousand Five Hundred Seventy Dollars ($3,570) per month per month) in markets with 50,000 or more total population within a 5 mile radius of Club Location; or (ii) five (5) chairs (equating to Two Thousand Nine Hundred Seventy-Five Dollars ($2,975) per month) in markets with less than 50,000 total population within a 5 mile radius of Club location *b. If Franchisee elects to add additional chairs or massage services, it shall pay an additional per chair Royalty Fee for each chair or massage table added, beginning in the month immediately following the month in which any additional chair(s) or massage table(s) were added."*

c. Royalty payments, along with complete membership information are due the 1st day of each month. Failure to report accurate information as it relates to membership shall be grounds for immediate termination of this Agreement. Royalty payments are payable as directed by franchisor, whether via certified check, ACH, wire transfer or other form of electronic payment.

2. **Miscellaneous**. The Agreement, as amended hereto, is hereby ratified and confirmed, and shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All terms defined in the Agreement shall have the same meaning in this Addendum, unless otherwise defined in this Addendum.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum effective as of the date first above written.

FRANCHISEE:__________________

By:______________________________
Name, Title: ____________________

PRINCIPALS:

By:______________________________
Name: _________________________

By:______________________________
Name: _________________________

FRANCHISOR:

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

By:____________________________________
Jay Hummer, President & CEO

Attachment 12

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of ________________ (the “Effective Date”) by and between Kennedy’s International Franchising, LLC, a Florida limited liability company (the “Franchisor”), and _________________________, a ___________________ (the “Franchisee”).

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a KENNEDY’s Barber Club business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the KENNEDY’s Barber Club brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Web Sites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, and the right to hyperlink to certain web sites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites, Social Media Accounts and other Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites, Social Media Accounts and other Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites, Social Media Accounts and other Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites, Social Media Accounts and other Listings or will take such other actions with respect to the Internet Web Sites, Social Media Accounts and other Listings as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites, Social Media Accounts and/or other Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Internet Web Sites, Social Media Accounts and/or other Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's Interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's Interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts, without regard to the application of Massachusetts conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

By:____

Jay Hummer, President & CEO
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

Exhibit B
To Disclosure Document

Multi-Unit Development Agreement

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

Contents

LIST OF ATTACHMENTS

ATTACHMENT 1: DEVELOPER ACKNOWLEDGMENT STATEMENT
ATTACHMENT 2: MARKS
ATTACHMENT 3: DEVELOPMENT AREA

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of______________________________, (the "Effective Date") by and between Kennedy's International Franchising, LLC, a Florida limited liability company with its principal place of business at 11 Apex Drive, Suite 300A, Marlborough, Massachusetts 01752 (herein "Franchisor") and ____________ _________________, an individual residing at _____________________________ and _______________ __________, an individual residing at ____________________________ (herein "Developer").

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a men's barber and grooming club under the Kennedy's trademarks, and using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the Kennedy's service mark, as set forth in Attachment 2, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate Kennedy's outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 3 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1 RECITATIONS. The Recitations set out above form part of this Agreement.

2 GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.1 hereof, the right to develop, construct, open and operate one (1) Kennedy's outlet within the Development Area set forth in Attachment 3. Developer shall be granted rights to establish additional Kennedy's outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Section 5.2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Section 4.1 hereof.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of Kennedy's products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to offer (i) other products or services not offered under the Marks, (ii) other barber and grooming concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Development Area other than a dedicated Kennedy's barber club such as distribution through retail outlets, including but not limited to, captive market locations, such as airports arenas, hotels, cruise ships or similar public venues, and the Internet.

2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a Kennedy's outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more Kennedy's outlets in the Development Area only. Developer's rights to open and operate a Kennedy's outlet and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each Kennedy's outlet to be established in the Development Area.

3 TERM. Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

4 DEVELOPMENT AND FRANCHISE FEES.

4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee (the "Development Fee") in the following amount:

Number of Outlets to Develop	Development Fee	Fee Per Outlet
2	$75,000	$37,500
3	$95,000	$31,666.66
4	$115,000	$28,750
5	$135,000	$27,000

For each subsequent outlet beyond five, the development fee shall be $27,000 per outlet.

The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first Kennedy's outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of each of additional Franchise Agreement for outlets to be developed hereunder, Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee payable pursuant to each such additional Franchise Agreement. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Kennedy's barber club outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5 EXERCISE OF DEVELOPMENT RIGHTS.

5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each Kennedy's outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first Kennedy's outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent Kennedy's outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.1 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional Kennedy's outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's Kennedy's outlets in the Development Area.

5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first Kennedy's outlet, Developer shall execute an additional Franchise Agreement for the development of the second Kennedy's outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent Kennedy's outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next Kennedy's outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the Kennedy's outlets in accordance with the following schedule:

Outlet for Development	Mandatory Open Date
1	___ months following the Effective Date
2	___ months following the Effective Date
3	___months following the Effective Date
4 (if applicable)	___months following the Effective Date

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory

Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional Kennedy's outlet in accordance with Section 4.1 hereof and pursuant to a Franchise Agreement:

5.4.1 Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria for multi-unit franchisees.

5.4.2 Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional Kennedy's outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

6 TRANSFER

6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's locations).

6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the barber and grooming business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.

6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple Kennedy's outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Franchise Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Multi-Unit Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the transferee's development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to Five Thousand Dollars ($5,000.00) for each outlet remaining to be developed in accordance with the Mandatory Development Schedule; provided however (i) for transfers among the individuals named as Developer in the introductory paragraph of this Agreement, the transfer fee is Two Thousand Dollars ($2,000.00), and (ii) no fee shall be payable for a transfer to a spouse, parent or child upon death or permanent disability of Developer, provided that the spouse, parent or child otherwise meets Franchisor's requirement set forth in Section 6.3 above.

6.5 Franchisor 's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor 's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the development rights granted by this Agreement will terminate, unless prohibited by applicable law. If prohibited by applicable law, the executor, administrator, conservator or other personal representative of Developer will transfer Developer's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Developer from supervising the development and operation of Developer's Kennedy's outlets continuously for six (6) months from its onset.

7 DEFAULT AND TERMINATION.

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's Kennedy's outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults With No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's Kennedy's outlets, including, but not limited to, the failure to pay taxes;

7.2.4 fails to develop the Kennedy's outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor, or any of Franchisor's affiliates or suppliers, or a landlord and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8 NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of a Kennedy's outlet; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of Kennedy's outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement, Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of Kennedy's outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's Kennedy's outlets or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any men's barber or grooming business; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Kennedy's developers or franchisees or Franchisor-affiliated outlets.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's Kennedy's outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any men's barber or grooming business within twenty-five (25) miles of the Development Area or any Kennedy's location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Kennedy's developers or franchisees.

8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

9 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS KENNEDY'S INTERNATIONAL FRANCHISING, LLC, AND ANY ITS PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "KENNEDY'S INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S KENNEDY'S OUTLETS TO BE DEVELOPED HEREUNDER, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO ANY OF SUCH KENNEDY'S OUTLETS, WHETHER CAUSED BY DEVELOPER'S AGENTS OR EMPLOYEES, OR ARISING FROM DEVELOPER'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE KENNEDY'S INDEMNITEES. DEVELOPER AGREES TO PAY FOR ALL THE KENNEDY'S INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE KENNEDY'S INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE KENNEDY'S INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE KENNEDY'S INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE KENNEDY'S INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE KENNEDY'S INDEMNITEES.

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Initial

10 DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Exhibits hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 12.7 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

10.3 Arbitration.

10.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 10.4, any dispute between Franchisor and Developer arising out of or relating to this Agreement, the Exhibits hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 10.1 or 10.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 10 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Marlborough, Massachusetts, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Developer is then located.

10.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Developer, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

10.3.4 The provisions of this Section 10.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

10.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.

10.3.6 Except as expressly required by law, Franchisor and Developer shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

10.4 Exceptions. Notwithstanding the requirements of Sections 10.2 or 10.3, the following claims shall not be subject to mediation or arbitration:

10.4.1 Franchisor's claims for injunctive or other extraordinary relief;

10.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

10.4.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the Commonwealth of Massachusetts. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the Commonwealth of Massachusetts. Developer, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Massachusetts. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.6 Mutual benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.7 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.8 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.9 Attorney's Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

10.10 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

11 GENERAL

11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the Kennedy's outlets.

11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, except the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

11.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

11.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.8 Effect of Waivers No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

11.10. Consent to Do Business Electronically. The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the Commonwealth of Massachusetts, the parties hereby affirm to each other that they agree with the terms of this Agreement, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.10 Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

12 ACKNOWLEDGMENTS. Developer shall acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Developer's acknowledgements are an inducement for Franchisor to enter into this Agreement. Developer shall immediately notify Franchisor, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

The parties hereto have executed this Multi-Unit Development Agreement in on the day and year first above written.

FRANCHISOR:

KENNEDY’S INTERNATIONAL FRANCHISING, LLC

By:____

____________________, __________________________

(Print Name, Title)

DEVELOPER:

____

____

(Print Name)

DEVELOPER:

____

____

(Print Name)

ATTACHMENT 1

DEVELOPER ACKNOWLEDGEMENT STATEMENT

Developer hereby acknowledges the following:

Developer has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of developing the Kennedy's outlets contemplated hereunder. Developer further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Kennedy's outlets to be developed hereunder has been made to Developer by Franchisor and Developer hereby waives any claim against Franchisor for any business failure Developer may experience as a developer under this Agreement.

______ Initial

Developer agrees that no claims of success or failure have been made to him or her prior to signing this Agreement and that he/she understands all the terms and conditions of this Agreement. Developer further acknowledges that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally; provided, however, nothing in this Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document.

______ Initial

Developer has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. Developer acknowledges that no representations or warranties are made or implied, except as specifically set forth herein. Developer represents, as an inducement to Franchisor's entry into this Agreement, that Developer has made no misrepresentations in obtaining this Agreement.

______ Initial

Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

______ Initial

Developer acknowledges that he/she has received the Kennedy's International Franchising, LLC Franchise Disclosure Document with a complete copy of this Agreement and all related Exhibits and agreements at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Developer further acknowledges that Developer has read such Franchise Disclosure

Document and understands its contents.

______
Initial

Developer acknowledges that he/she has had ample opportunity to consult with his/her own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Developer with respect to this Agreement or the relationship thereby created.

______
Initial

Developer, together with Developer's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the development rights granted by this Agreement.

______
Initial

BY EXECUTING THIS AGREEMENT, DEVELOPER, INDIVIDUALLY AND ON BEHALF OF DEVELOPER'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE KENNEDY'S INTERNATIONAL FRANCHISING, LLC, AND ITS OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

______
Initial

ATTACHMENT 2

Service Mark:

KENNEDY’S BARBER CLUB

KENNEDY’S All-American Barber Club

ATTACHMENT 3

DEVELOPMENT AREA

(insert map and/or define by zip codes):

Exhibit C
To Disclosure Document

Financial Statements

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

DECEMBER 31, 2019 AND 2018

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

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A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

February 5, 2020

INDEPENDENT AUDITORS' REPORT

To the Managing Members and Management of
Kennedy's International Franchising, LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kennedy's International Franchising, LLC (a Florida limited liability company), which comprise the balance sheet as of December 31, 2019 and 2018 and the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kennedy's International Franchising, LLC as of December 31, 2019 and 2018 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CPA

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Kennedy's International Franchising, LLC

Balance Sheet
December 31, 2019 and 2018

ASSETS

	2019	2018
Current Assets		
Cash	$ 10,521	$ 5,704
Accounts Receivable	25,122	5,606
Inventory	-	3,503
Total Current Assets	35,643	14,813
Fixed Assets, net	917	1,275
Intangible and Other Assets, net	23,925	25,480
TOTAL ASSETS	$ 60,485	$ 41,568

LIABILITIES & EQUITY

	2019	2018
Current Liabilities		
Accounts Payable	$ 7,810	1,691
Deferred Royalties	13,500	13,500
Gift card liability	11,954	11,954
Related party advance	38,500	$ 38,500
Total Current Liabilities	71,764	65,645
Total Liabilities	71,764	65,645
Members' Deficit	(11,279)	(24,077)
TOTAL LIABILITIES & EQUITY	$ 60,485	$ 41,568

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Operations
Years ending December 31, 2019 and 2018

	2019	2018
Revenues		
Franchise fees	$ -	$ 2,500
Royalties	73,205	63,509
Product sales	2,183	2,176
Total revenue	75,388	68,185
Expenses		
Advertising	7,025	752
Auto expense	1,861	1,662
Bank charges	-	12
Computer	1,083	-
Conference	6,622	382
Licenses	3,385	1,680
Miscellaneous	-	691
Office Expense	2,132	447
Postage	419	388
Product	1,832	1,138
Professional Fees	14,350	16,747
Rent	13,970	29,422
Travel	7,554	3,433
Total expenses	60,233	56,754
Operating Income	15,155	11,431
Other expenses		
Taxes	323	376
Interest	121	748
Depreciation	358	-
Amortization	1,555	11,688
Net Income/(Loss)	$ 12,798	$ (1,381)

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Changes in Equity
Years ending December 31, 2019 and 2018

		Members' Equity/(Deficit)
Balance January 1, 2018	$	(8,696)
Member draws		(14,000)
Net Loss		(1,381)
Balance December 31, 2018	$	(24,077)
Balance January 1, 2019	$	(24,077)
Member draws		-
Net Income		12,798
Balance December 31, 2019	$	(11,279)

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Cash Flows
Years ending December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Net Loss	$ 12,798	$ (1,381)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization	1,913	11,688
Changes in assets and liabilities		
Current assets	(16,013)	4,858
Current liabilities	6,119	(832)
Net cash provided by operating activities	4,817	14,333
Cash flows from investing activities:		
Purchase of fixed assets	-	-
Net cash provided by investing activities	-	-
Cash flows from financing activities:		
Member draws	-	(14,000)
Payments of long-term debt	-	-
Net cash provided by financing activities	-	(14,000)
Net increase in cash	4,817	333
Cash - beginning of year	5,704	5,371
Cash - end of year	$ 10,521	$ 5,704
Supplemental Disclosures		
Interest Paid	$ 121	748
Income Taxes Paid	$ 323	$ 376

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Kennedy's International Franchising, LLC is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the Commonwealth of Massachusetts for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Kennedy's Barber Club operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Company considers unrestricted currency, demand deposits, money market accounts and all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents.

REVENUE RECOGNITION

The Company accounts for revenue using the accounting method prescribed under Accounting Standards Codification 606 ("ASC") Topic Franchisors.

Deferred revenue consists of fees paid to the Company when a franchise agreement is signed. This revenue is deferred until all material services or conditions relating to the sale have been substantially performed or satisfied by the Company. In 2019, the Company recognized no franchise fees.

The Company similarly defers the related expenses specific to the franchise agreements, primarily sales commissions. Similarly, there are prepaid commissions relating to the deferred revenue.

Royalty fees will be charged on a monthly basis and are recorded as earned.

COMPANY INCOME TAXES

The Company, with the consent of its stockholders, has elected to be a partnership. In lieu of corporation income taxes, the members of a partnership is taxed based on its proportionate share of the Company's taxable income.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2018 and 2017, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2019:

Franchise rights	$ 50,000
Franchise aggreement	35,000
Website development	18,000
Trademark/patent	11,639
	114,639
Less - Accumulated amortization	90,714
	$ 23,925

Amortization expense for the years ended December 31, 2019 and 2018 was $1,555 and $11,688, respectively.

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NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 5, 2020, the date that the financial statements were available to be issued.

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

DECEMBER 31, 2018 AND 2017

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

Table of Contents

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

January 26, 2019

INDEPENDENT AUDITORS' REPORT

To the Managing Members and Management of
Kennedy's International Franchising, LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kennedy's International Franchising, LLC (a Florida limited liability company), which comprise the balance sheet as of December 31, 2018 and 2017 and the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kennedy’s International Franchising, LLC as of December 31, 2018 and 2017 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CPA

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Kennedy's International Franchising, LLC

Balance Sheet
December 31, 2018 and 2017

ASSETS

	2018	2017
Current Assets		
Cash	$ 5,704	$ 5,371
Accounts Receivable	5,606	10,464
Inventory	3,503	3,503
Total Current Assets	14,813	19,338
Fixed Assets	1,275	1,275
Intangible and Other Assets, net		
Start-up costs	25,480	37,168
TOTAL ASSETS	$ 41,568	$ 57,781

LIABILITIES & EQUITY

	2018	2017
Current Liabilities		
Accounts Payable	$ 1,691	2,104
Current portion of long-term debt	-	419
Deferred Royalties	13,500	13,500
Gift card liability	11,954	11,954
Related party advance	38,500	$ 38,500
Total Current Liabilities	65,645	66,477
Note to Member, net of current portion	-	-
Total Liabilities	65,645	66,477
Members' Equity	(24,077)	(8,696)
TOTAL LIABILITIES & EQUITY	$ 41,568	$ 57,781

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Operations
Years ending December 31, 2018 and 2017

	2018	2017
Revenues		
Franchise fees	$ 2,500	$ -
Royalties	63,509	80,009
Product sales	2,176	5,247
Total revenue	68,185	85,256
Expenses		
Advertising	752	3,624
Auto expense	1,662	1,843
Bank charges	12	233
Conference	382	3,442
Labor	-	8,000
Licenses	1,680	1,680
Miscellaneous	691	930
Office Expense	447	2,137
Postage	388	720
Product	1,138	6,661
Professional Fees	16,747	27,676
Rent	29,422	13,917
Travel	3,433	2,479
Total expenses	56,754	73,342
Operating Income	11,431	11,914
Other expenses		
Taxes	376	835
Interest	748	-
Amortization	11,688	12,442
Net Loss	$ (1,381)	$ (1,363)

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Changes in Equity
Years ending December 31, 2018 and 2017

		Members' Equity/(Deficit)
Balance January 1, 2017	$	(7,333)
Capital infusion		-
Net Loss		(1,363)
Balance December 31, 2017	$	(8,696)
Balance January 1, 2018	$	(8,696)
Member draws		(14,000)
Net Loss		(1,381)
Balance December 31, 2018	$	(24,077)

See accompanying notes

Kennedy's International Franchising, LLC

Statement of Cash Flows
Years ending December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net Loss	$ (1,381)	$ (1,363)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization	11,688	12,442
Changes in assets and liabilities		
Current assets	4,858	(1,418)
Current liabilities	(832)	7,425
Net cash provided by operating activities	14,333	17,086
Cash flows from investing activities:		
Purchase of fixed assets	-	(1,275)
Investment in Intangibles	-	-
Net cash provided by investing activities	-	(1,275)
Cash flows from financing activities:		
Member draws	(14,000)	-
Payments of long-term debt	-	(10,793)
Net cash provided by financing activities	(14,000)	(10,793)
Net increase in cash	333	5,018
Cash - beginning of year	5,371	353
Cash - end of year	$ 5,704	$ 5,371
Supplemental Disclosures		
Interest Paid	$ 748	-
Income Taxes Paid	$ 376	$ 835

See accompanying notes

KENNEDY'S INTERNATIONAL FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Kennedy's International Franchising, LLC is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the Commonwealth of Massachusetts for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Kennedy's Barber Club operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Company considers unrestricted currency, demand deposits, money market accounts and all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue. Monthly royalty fees will be recognized when reported by the franchisee.

COMPANY INCOME TAXES

The Company, with the consent of its stockholders, has elected to be a partnership. In lieu of corporation income taxes, the members of a partnership is taxed based on its proportionate share of the Company's taxable income.

.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2018 and 2017, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2018:

Kennedy's International Franchising, LLC

General and Administrative Expenses
Years ending December 31, 2018 and 2017

Franchise rights	$	50,000
Franchise aggreement		35,000
Website development		18,000
Trademark/patent		11,639
		114,639
Less - Accumulated amortization		89,159
	$	25,480

Amortization expense for the years ended December 31, 2018 and 2017 was $11,688 and $12,442, respectively.

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NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 26, 2019, the date that the financial statements were available to be issued.

Exhibit D

To Franchise Disclosure Document: Agencies/Agents for Service of Process

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Business Oversight
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Exhibit E
To Franchise Disclosure Document:
List of Franchisees

FLORIDA

DELRAY BEACH
David Solomon
Solomon Management Enterprises, LLC
851 SE 6th Ave # 101
Delray Beach, FL 33843
(561) 272-0003

HEATHROW
Abel Perez
ACP Property Investments, LLC
1120 Townpark Ave.
Lake Mary, FL 32746
(407) 333-9411

WINTER PARK
Doug Oswald
346 S Park Ave
Winter Park, FL 32789
(407) 628-8445

CONNECTICUT

BETHEL
Jarrod Manfro,
Ridgefield Club Associates, LLC
106 Greenwood Ave
Bethel, CT
(203) 456-3027

DARIEN
Rupal Patel-Ogel
MCP American Clubs, LLC
1089 Post Road
Darien, CT 06820
(203) 202-9311

GREENWICH
Jarrod Manfro
DD Barber Club, LLC
116 East Putnam Avenue
Greenwich, CT 06830
(203) 769-5729

RIDGEFIELD
Jarrod Manfro, Ridgefield Club Associates, LLC
105 Danbury Road
Ridgefield, CT 06877
(203) 403-2405

STAMFORD
Rupal Patel-Ogel, MCP American Clubs, LLC
1075 High Ridge Road
Stamford, CT 06905
(203) 883-8615

WESTPORT
Jarrod Manfro, Westport Club Associates, LLC
275 Post Road
Westport, CT 06880
(203) 403-2405

WEST HARTFORD
Rupal Patel-Ogel,
MCP American Clubs, LLC
107 Memorial Road
West Hartford, CT 06107
(203) 216-0583

NEW JERSEY

SUMMIT
Marc Oren, Kennedy’s of NJ, LLC
26 Maple St.
Summit, NJ
(908) 738-1700

WESTFIELD
Marc Oren, Kennedy’s of NJ, LLC
226 North Avenue West
Westfield, NJ 07090
(908) 233-0630

MADISON
Marc Oren, Kennedy’s of NJ, LLC
40 Main Street
Madison, NJ 07940
(908) 233-0630

Signed Franchise Agreements

The following is a list of the name, city and state, and the current telephone number of every Franchisee who has signed a Franchise Agreement and who's outlet has not been opened as of December 31, 2019.

Franchisee	Location	Contact	Phone
Dominic Mercurio	MA	Dominic Mercurio	508-478-1171
Jim Davolio	MA	Jim Davolio	508-514-9733
Jim Beesaw	NY	Jim Beesaw	203-249-0241
Abel Perez	FL	Abel Perez	407-637-4227
Main Street America Advisors, Inc.	CT	Jarrod Manfro	203-456-3027

The following is a list of the name, city and state and the current business telephone number (or, if unknown, the last known home telephone number) of every Franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during Franchisor's most recently completed fiscal year or who has not communicated with Franchisor within ten (10) weeks of the issuance date of this document.

Exhibit F
To Disclosure Document:

State Addenda

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

The Department for Business Oversight for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

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.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

3. Item 3 is amended to add:

   Neither Franchisor nor any person described 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:

(a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

(b) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

(d) The Franchise Agreement requires application of the laws of Massachusetts. This provision may not be enforceable under California law.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Area Representative Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) Illinois law governs the agreements between the parties to this franchise.

(b) Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

(c) Your rights up upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

(d) To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.

(e) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(f) Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

(g) Your payment of the Initial Franchise Fees will be deferred until Franchisor has met its initial obligations and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.

AMENDMENT TO THE KENNEDY'S INTERNATIONAL FRANCHISING, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"), which govern the attached Kennedy's International Franchising, LLC, Franchise Agreement (the "Franchise Agreement"), the parties thereto agree as follows:

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

2. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

> "Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

> "Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. Your payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:
KENNEDY'S INTERNATIONAL FRANCHISING, LLC

Attest: ____________________

By:____
Print Name/Title: ______________________________
Dated: ______________________________________

FRANCHISEE:

____

Attest: ____________________

By:____
Print Name/Title: ______________________________
Dated: ______________________________________

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Maryland Franchise Law"). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a Kennedy's Barber Club franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.

2. Item 5 is amended to state:

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

3. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

AMENDMENT TO THE KENNEDY'S BARBER CLUB FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Kennedy's Barber Club Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 5 or Section 16.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 4.1 of the Franchise Agreement is hereby amended to further state:

> "Based upon Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, Franchisor will defer collection of the Initial Franchise Fee and other initial fees payable to Franchisor until Franchisor has fulfilled its initial pre-opening obligations pursuant to this Agreement."

3. To the extent of any inconsistencies, Section 10.2 of the Franchise Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

4. To the extent of any inconsistencies, Section 11.6 of the Franchise Agreement is hereby amended to further state:

> "Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

5. To the extent of any inconsistencies, Article 11 of the Franchise Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

6. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and

Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

By:____

Jay Hummer, CEO
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________, __________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration 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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

WASHINGTON AMENDMENT TO THE FRANCHISE AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration 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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISOR:

KENNEDY'S INTERNATIONAL FRANCHISING, LLC

By:______________________________________

______Jay Hummer_________,______CEO_________
(Print Name, Title)

FRANCHISEE:

____

By:______________________________________

________________________,_________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The following is added to Item 5:

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

STATE EFFECTIVE DATES – 2020

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

STATE	EFFECTIVE DATE
California	Pending
Illinois	Pending
Maryland	Pending
Virginia	Pending
Washington	Pending
Wisconsin	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.

Exhibit H: Receipt (Our Copy)

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

If Kennedy's International Franchising, LLC offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Under Iowa, New York, or Rhode Island law, if applicable, Kennedy's International Franchising, LLC must provide this Franchise Disclosure Document to you at your first personal meeting to discuss the franchise. Michigan requires Franchisor to give you this Franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Kennedy's International Franchising, LLC does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit C.

Below, please check the name, principal business address and telephone number of the franchise seller offering you the franchise:
☐ Jay Hummer, 11 Apex Drive, Suite 300A, Marlborough, MA 01752 (508) 441-9101 ☐ Jarrod Manfro, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ Jay Manfro, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ Shakil Kazi, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ BROKER

Date of Issuance: April 22, 2020
See Exhibit C for our registered agents authorized to receive service of process.

I have received a disclosure document dated __________________ that included the following Exhibits:

A Franchise Agreement and Related Materials
Exhibits to Franchise Agreement:
Exhibit 1 - Franchised Trade Area
Exhibit 2 - Lease Assignment Agreement
Exhibit 3 - Names & Addresses of Equity Owners, Directors & Officers
Exhibit 4 - Personal Guaranty
Exhibit 5 - De-Identification Checklist
Exhibit 6 - Confidentiality/Non-Competition Agreement
Exhibit 7 - General Release – Renewal
Exhibit 8 - General Release – Assignment
B Financial Statements
C State Franchise Administrators and Agents for Service of Process
D List of Franchisees
E List of Former Franchisees
F State Addenda
G Receipts

Dated Received: _______________ Signature: ____

Print Name: ____

THIS IS OUR COPY. PLEASE RETURN TO US SIGNED.

Exhibit G: Receipt (Your Copy)

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

If Kennedy's International Franchising, LLC offers you a franchise, it must provide this Franchise Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Under Iowa, New York, or Rhode Island law, if applicable, Kennedy's International Franchising, LLC must provide this Franchise Disclosure Document to you at your first personal meeting to discuss the franchise. Michigan requires Franchisor to give you this Franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Kennedy's International Franchising, LLC does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit C.

Below, please check the name, principal business address and telephone number of the franchise seller offering you the franchise:
☐ Jay Hummer, 11 Apex Drive, Suite 300A, Marlborough, MA 01752 (508) 441-9101 ☐ Jarrod Manfro, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ Jay Manfro, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ Shakil Kazi, Main Street America Advisors, Inc.105 Danbury Road, Ridgefield, CT 06877 (203) 885-1028 ☐ BROKER

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Exhibit 7 - General Release – Renewal
Exhibit 8 - General Release – Assignment
B Financial Statements
C State Franchise Administrators and Agents for Service of Process
D List of Franchisees
E List of Former Franchisees
F State Addenda
G Receipts

Dated Received: _______________ Signature: ____

Print Name: ____

KEEP THIS COPY FOR YOUR RECORDS.