FRANCHISE DISCLOSURE DOCUMENT

TRINITY PEACE, LLC
a California limited liability company
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Studio City, California 91604
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You will operate an upscale salon that provides nail care and other beauty services under the trade name and trademark NAIL GARDEN.

The total investment necessary to begin operation of a NAIL GARDEN Salon ranges from $322,492 to $571,533. This includes $30,000 that must be paid to the franchisor or affiliate.

If you are acquiring multi-unit development rights under an Area Development Agreement, you will pay us a development fee equal to the sum of the initial franchise fee for the first Salon and the product of $11,250 multiplied by the number of additional Salons to be developed. For example, if you acquire development rights for three Salons, you will pay us a development fee of $52,500 ($30,000 plus [$22,500 x 50% x 2]).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Fady Bastawros at (818) 439-3338 or franchise@nailgarden.com.

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

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

Issuance Date: August 3, 2021

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 an 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 F.
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 E 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 Nail Garden 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 in involved in material litigation or bankruptcy proceedings.
What's it like to be a Nail Garden franchisee?	Item 20 or Exhibit F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

To simplify the language in this disclosure document, "we", "us" or "our" means Trinity Peace, LLC, the franchisor. "You" means the business entity, person or persons who sign the Franchise Agreement, the franchisee. If the franchisee is a corporation, limited liability company, or other business entity, the term "you" does not include the entity's principals unless otherwise stated.

The Franchisor, and Any Parents, Predecessors and Affiliates

We are a California limited liability company formed as Nail Garden Franchise LLC on June 7, 2012. On August 10, 2015, we changed our name to Trinity Peace, LLC and we only do business under our corporate name. Our principal business address is 10939 Ventura Blvd., Studio City, California 91604. Our agents for service of process are listed in Exhibit G of this disclosure document.

We have been offering franchises of the type described in this disclosure document since November 2012 in non-registration states. We have never offered franchises or licenses in any other line of business. We have no parent company or any predecessors. We do not engage in any other business activities.

Our affiliate, FRBM, Inc. ("FRBM"), opened the first NAIL GARDEN Salon in Studio City, California, in July 2005, and currently operates the original Studio City Salon and a salon in Sherman Oaks, California, which opened in July 2008. Our affiliate, SW&M Corp. ("SW&M") has operated a Salon in Burbank, California, since May 2008. Our affiliate Nail Garden Valencia LLC operated a Salon in Valencia, California from February, 2013, until February, 2016, when it was sold to a franchisee ("Nail Garden Valencia").

The Franchise Offered

We franchise the operation of upscale salons that operate under the trade name and service mark NAIL GARDEN ("Salon"). NAIL GARDEN Salons offer a wide range of manicure, pedicure, waxing, and other beauty services, that may include eyelash extensions, facials, tanning, microblading, and microdermabrasion. The Salons feature a relaxing, spa-like atmosphere, and are committed to the highest levels of customer service and cleanliness, and convenient delivery of services at reasonable price points.

A typical NAIL GARDEN Salon occupies 1,500 to 2,500 square feet and is located in an upper-middle class retail center that may have a variety of tenants including: grocery stores, coffee shops, trendy/upscale restaurants, full-service hair salons, day spas, dry cleaners, banks, and specialty shops. A Salon also may be in a regional shopping mall. NAIL GARDEN Salons operate seven days a week, accept both appointments and walk-in customers, and can be reserved for special events and private parties. If local laws permit, they also may offer customers a complimentary glass of wine or champagne.

NAIL GARDEN Salons are operated using our proprietary business format and system (our "System") under the NAIL GARDEN service mark and other trademarks, service marks, logos, and slogans, that we designate to identify the brand (our "Marks"). Our System includes distinctive interior and exterior design, décor, color scheme, graphics, fixtures and furnishings, the right to sell our private label products, operation, and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a NAIL GARDEN Salon, all of which we may change, delete, improve, and further develop (collectively, our "Standards").

You will operate the Salon according to our standard franchise agreement (see Exhibit A) and our Standards, specifications, policies and procedures which will be communicated to you through our confidential operations manuals and other written directives (collectively, our "Manuals"). You also may provide nail care services in customers' homes, businesses, and studios, according to our Standards (which may include territorial and service restrictions) as they may be revised periodically. We call this the "Franchised Business."

Area Development Program

We offer qualified candidates the right and opportunity to develop multiple Salons in a mutually agreed on area. If we award you multi-unit development rights, you will sign our Area Development Agreement (see Exhibit B) and commit to develop a mutually agreed on number of Salons over a mutually agreed on timetable.

Market and Competition

The nail care business generally is well developed and highly competitive. Your clientele consists principally of individuals in age range of 20 to 50 years old, who value the accessibility of your location and seek professional personal grooming services in a spa-like setting. The substantial majority of your clients will be female. The business generally is not seasonal, but may be busier during summer months and holiday seasons and your sales levels will depend on the customer mix and traffic volume in the center in which your salon is located. Your salon will compete with other nail chains as well as independent nail and beauty salons and spas.

Industry Specific Regulations

In California, anyone engaging in the practice of beauty services must be licensed by the Board of Barbering and Cosmetology. A "cosmetology" license includes providing skin or nail care services, massaging, which includes cleansing, treating, or beautifying a person's hands or feet. "Cosmetology" also includes hair removal services, such as waxing services. Only licensed cosmetologists or estheticians may provide eyelash extension services in California. Other states have different licensing requirements. It is your responsibility to determine and comply with all licensing requirements. You also must comply with all municipal, county, and state regulations relating to the operation of a skin and nail care businesses.

Health and sanitation regulations and, in California, the Board of Barbering and Cosmetology, require that your technicians maintain their tools according to specified standards, and that they follow proper sanitizing and waste disposal procedures. Environmental laws and the Board of Barbering and Cosmetology may regulate the way in which certain solutions are used, stored, and disposed of in the process of providing services to your customers. Building codes may require special ventilation in your Salon.

Your Salon may require zoning or land use approvals, Sunday sale permits, sales and use tax permits, special tax stamps, fire department permits, health permits, alarm permits, county occupational permits, retail sales licenses, and wastewater discharge permits. There may be other laws, rules, or regulations that affect your Salon, including Americans with Disability Act, Occupational Safety and Health Administration (OSHA) regulations, and Environmental Protection Agency considerations.

You must also comply with applicable employment laws, including federal and state discrimination laws, minimum wage, and other laws and regulations that apply to businesses generally. If your Salon will offer alcoholic beverages and/or food, you may be required to obtain a liquor or beer and wine license and/or other licenses and permits related to food service. Zoning regulations also may prohibit or restrict your sale or dissemination of alcoholic beverages. We do not offer opinions or assistance with local licensing issues; you are encouraged to retain local counsel to advise and assist you with these matters.

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

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Reham Bastawros

Reham Bastawros co-founded the NAIL GARDEN concept in 2004 and has served as our CEO in Encino, California, since our inception in June 2012. Reham has also served as CEO of our affiliate, FRBM, since

its inception in July, 2005, in Studio City, California; has served as Chief Executive Officer of our affiliate, NGB, since its inception in February 2011, in Brentwood, California; and has served as Manager of our affiliate, Nail Garden Valencia, from its inception in August, 2012, until August, 2015, when it was sold to a franchisee.

President: Fady Bastawros

Fady Bastawros co-founded the NAIL GARDEN concept in 2004, and has served as our President, in Encino, California, since our inception in June 2012. Fady has also served as President of our affiliate, FRBM, since its inception in July 2005, in Studio City, California; has served as President of our affiliate, NGB, since its inception in February 2011, in Brentwood, California; and has served as Manager of our affiliate, Nail Garden Valencia, from its inception in August, 2012, until August, 2015, when it was sold to a franchisee.

Director of Franchising: Wagih S. Awad

Wagih S. Awad served as our Director of Franchising in Encino, California since our inception in June 2012. Wagih has also served as President of our affiliate, SW&M, since its inception in May, 2008, in Burbank, California.

Director of Marketing: Matthew W. Awad

Matthew W. Awad has served as our Director of Marketing in Encino, California since our inception in June 2012. Matthew has also served as CEO of our affiliate, NGB, since May 2008, in Burbank, California.

ITEM 3
LITIGATION

In the Matter of The Commissioner of Financial Protection and Innovation v. Nail Garden Franchise, LLC dba Trinity Peace, LLC, OAH Case No.: 2021010783. On November 6, 2020, the Commissioner served us with a citation alleging that we made unregistered offers and sales of franchise in violation of Section 31110 of the California Corporations Code and that we otherwise violated the California Corporations Code with respect to the offer and sale of franchises, and ordered us to pay administrative penalties and attorneys' fees and to attend a remedial education course in franchise law training. On December 9, 2020, we timely submitted a Notice of Defense to the Commissioner requesting an administrative hearing on the citation allegations. On June 3, 2021, we resolved the citation allegations without a hearing pursuant to the terms and conditions of a settlement agreement under which we agreed to pay $40,000 and to attend a remedial education course in franchise law training. Under the settlement agreement, we also agreed to cease and desist from future violations of the California Corporations Code sections 31110, 31119(a), 31150, 31200, 31201, 31203, and 31204(b), and Cal. Code Regs. Tit. Section 310.111.

Other than this one action, no litigation is required to be disclosed in this Item

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

You will pay us an initial, nonrefundable franchise fee when you sign the Franchise Agreement.

If you are new to the Nail Garden franchise system and are acquiring franchise rights for a single Salon, the initial franchise fee is $30,000.

If you are an existing franchisee with an operating Salon and you are acquiring franchise rights for an additional Salon, it currently is our policy to discount the initial franchise fee by 20%. Under this policy, the discounted initial franchise fee is $24,000. We may discontinue this policy at any time.

If you are acquiring rights under our area development program, described below, the initial franchise fee will be $30,000 (or $24,000, if you qualify for the discount) for the first Salon and $22,500 for the second and each additional Salon to be developed under the Area Development Agreement.

Except for the discounts described above, the initial franchise fee is uniform for all franchisees.

Development Fee

If you are getting multi-unit development rights under our area development program, you will pay us a nonrefundable development fee when you sign the Area Development Agreement. The development fee is calculated as the sum of the initial franchise fee for the first Salon (currently $30,000 or the $24,000 discounted fee available to existing franchisees) and the product of $11,250 multiplied by the number of additional Salons contemplated under the Area Development Agreement. For example, if you are new to the Nail Garden system and you are acquiring development rights for three Salons the development fee will be $52,500 ($30,000 + [$22,500 x .5 x 2]).

When you sign the Area Development Agreement, you also will sign the Franchise Agreement for the first Salon to be developed. At that time, we will credit a portion of the development fee equaling the initial franchise fee toward payment of the initial franchise fee. The net effect of the credit will be to fully satisfy the initial franchise fee obligation due under the first Franchise Agreement. When you sign the second and each additional Franchise Agreement, we will credit $11,250 of the development fee toward satisfaction of the initial franchise fee due under these agreements. The net effect of these credits will be to satisfy half of the initial franchise fee payment due under these agreements, and you will pay the remaining balance at that time.

The development fee is calculated uniformly for all franchisees and is nonrefundable upon payment.

ITEM 6
OTHER FEES

Franchise Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	Greater of Minimum Royalty Fee[2] or 4% of Gross Revenue[3]	Monday following the week for which the fee is calculated	
Brand Development Fund	1% of Gross Revenue	Monday following the week for which the contribution is calculated	The Brand Development Fund has not been established as of the issuance date of this disclosure document.
Local Advertising	2% of Gross Revenue	Expenditures are measured on a monthly basis	
Additional Opening Assistance	Reasonable fee, currently, $300 per individual providing assistance per day	Upon demand	We will provide up to three days of pre-opening/opening assistance without charge. If we

Type of Fee[1]	Amount	Due Date	Remarks
			agree to provide additional opening assistance, you must pay our per diem fee and pay or reimburse us our travel-related expenses.
Ongoing Assistance	Reasonable fee, currently $300 per individual providing assistance per day	Upon demand	If, during the franchise term, we agree to provide on-site assistance, you must pay our per diem fee and pay or reimburse us our travel-related expenses.
Initial Training[4]	$300 per person per day of training	Before training or seminar	See Note 5 for more details on Initial Training Costs.
Additional Training and Seminars	Currently $0; however, we reserve the right to charge a reasonable tuition fee for these additional courses, seminars, or other training programs in the future.	Before training or seminar	
Software License Fee	Not to exceed $500 initial set up fee and $3,120 annual license fee, paid monthly	Initial set up fee paid in a lump sum and license fees are paid monthly	
Supplier Approval Fee	Cost of inspection, up to $500	Upon demand	You may recommend suppliers to us at any time; however, you must pay our reasonable costs and expenses if you request us to inspect and evaluate a proposed supplier.
Administrative Fee	$250 per enforcement effort (i.e., written or verbal notification and follow up), and $250 per week for each week that the issue remains unresolved	Upon demand	We may assess an administrative fee to compensate us for our time.
Transfer Fee (transfer of minority interest to a new owner)	Reimbursement of our legal fees	Before transfer	
Transfer Fee (transfer of	80% of the then-current Initial Franchise Fee if	Before transfer	

Type of Fee[1]	Amount	Due Date	Remarks
franchise)	transferring to someone outside the NAIL GARDEN franchise system, or 50% of the then-current Initial Franchise Fee if transferring to an existing franchisee.		
Relocation Fee	$1,500	Before relocating	
Successor Term Fee	$1,500	When you sign the new Franchise Agreement	
Technology Fee[5]	We have the right to charge up to $50 per month, but do not currently charge a fee	Monday following the week for which the fee is calculated	See Note 6 for more information about the Technology Fee Schedule.
Manuals Replacement Fee	$150	Upon demand	Payable only if you require an additional set of the Manuals due to loss or damage.
Audit	Amount disclosed in the audit, plus our costs to conduct the audit	Upon demand	If an audit discloses that you have underpaid Royalty Fees by 2% more, you must pay us the amount in error plus our costs and expenses for the audit.
Late Charges	10% per year or the highest amount allowed by law, whichever is less, calculated weekly.	Upon demand	Payable only if any sums due us are not paid promptly when due.
Non-sufficient Funds Charge	$100, plus reimbursement of bank charges	Upon demand	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or otherwise.

Type of Fee[1]	Amount	Due Date	Remarks
Charges for "mystery customer" quality control evaluation	Will vary under the circumstances, but will not exceed $1,000 per year	Upon demand, if incurred	We may use an independent service to conduct a "mystery customer" quality control and evaluation program. You must participate in this program, and we may require that you pay the then-current charges imposed by the evaluation service.
Private or Public Offer of Securities	Our costs and expenses associated with reviewing the proposed offer	Before the offering	No offering shall imply in any manner whatsoever that we are participating in an underwriting, issuance, or offering of your securities.
Costs and Attorneys' Fees	Actual fees incurred	Payable as incurred	You must reimburse us for our expenses in enforcing or terminating the Agreements.
Indemnification	Amount of loss suffered	Upon demand	You must reimburse and pay our attorneys' fees and related costs if we are held liable for claims from your operation of the Salon.
Cost of Enforcement	Actual cost incurred	Upon demand	You must reimburse us for all costs we incur in connection with enforcing compliance with your franchise obligations.

Notes:

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

Note 2. No Minimum Royalty Fee for weeks one through eight; $200 per week for weeks nine through 52; $400 per week for weeks 53 through 104; $700 for weeks 105 through the end of the initial term.

Note 3. "Gross Revenue" means the aggregate of: (1) all revenue from the sale of services and products, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a NAIL GARDEN Salon; (2) all monies, trade value or other things of value that you receive from Salon operations at, in, or from the Salon premises that are not expressly excluded from Gross Revenue; and (3) business interruption insurance proceeds. Gross Revenue does not include: (a) the exchange of merchandise between NAIL GARDEN Salons (if you operate multiple Salons) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that

otherwise would have been made at, in, on or from the Salon premises; (b) returns to shippers, vendors, or manufacturers; (c) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (d) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (i) added to the selling price or absorbed therein and (ii) paid to the taxing authority by you. Gross Revenue does not include cash payments received in connection with the sale of gift certificate or stored value cards, but the redemption value of the gift certificate or stored value card will be included in Gross Revenue when it is accepted for payment. The amount of customer refunds may be deducted from Gross Revenue if the charge was previously included in Gross Revenue.

Note 4. There is no charge for your Manager, your Head Technician, and one other person to attend our initial training program. We may permit additional individuals to attend the same initial training program, space permitting, but may charge a reasonable fee, currently $300 per person per day.

Note 5. We currently have the right to charge up to $50 per month as compensation for web site hosting and maintenance services and other technology-related services that we provide. We may increase this amount each year by an amount not to exceed 10% of the then-current fee limitation.

Area Development Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Transfer Fee (transfer of a minority interest to a new owner)	Reimbursement of our legal fees	Before transfer	
Transfer Fee (payable if you are transferring your interest in the Area Development Agreement, the sale or transfer of all or substantially all of the assets of any developed Salon, or your Owners are transferring a controlling interest)	$15,000, plus reimbursement of our costs, including attorney fees	Before transfer	If you are also transferring interests in a Franchise Agreement or the assets of a Franchised Business, you also will pay the Transfer Fees due under the Franchise Agreements.
Costs and Attorneys' Fees	Actual fees incurred	Payable as incurred	You must reimburse us for our expenses in enforcing or terminating the Agreements.
Indemnification	Amount of loss suffered	Upon demand	You must reimburse and pay our attorneys' fees and related costs if we are held liable for claims from your operation of the salon.

Notes:

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

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$30,000	Lump sum	When Franchise Agreement is signed	Us
Lease/Security Deposit[1]	$5,400 - $24,300	As arranged	When lease is signed	Landlord
Utility Deposit	$0 - $5,000	Lump sum	After lease is signed, when utilities are set up	Utility providers
Leasehold Improvements[2]	$185,000 - $265,000	As arranged	As required	Contractors and third party suppliers
Design Fees	$6,000 - $18,000	Lump sum	As required	Architect
Signage	$4,000 - $15,000	As arranged	As incurred	Approved suppliers
Furniture and Fixtures[3]	$41,370 - $86,730	As arranged	As incurred	Approved suppliers
Office Equipment and Supplies (including phone system)	$350 - $2,450	As arranged	As incurred	Approved suppliers
Computer Hardware and Software[4]	$1,549 - $3,749	As arranged	As incurred	Approved suppliers
Equipment[5]	$8,750 - $20,250	As arranged	As incurred	Approved suppliers
Initial Inventory[6]	$8,750 - $14,150	As arranged	As incurred	Approved suppliers
Initial Inventory Promotional Materials[6]	$1,150 - $3,380	As arranged	As incurred	Approved suppliers
Uniforms	$300 - $400	As arranged	As incurred	Approved suppliers
Licenses and Permits	$3,000 - $6,800	As arranged	As incurred	Government agencies

Type Of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Membership Dues	$300 - $1,500	As arranged	As incurred, but within one month of opening	Local Chamber of Commerce
Professional Fees	$1,500 - $8,925	As arranged	As incurred	Attorneys and/or accountants
Insurance[7]	$2,800 - $8,500	Lump sum	As incurred, but before opening for business	Insurance carrier or broker
Initial Launch Marketing	$1,500 - $5,000	Lump sum	As incurred, but before soft opening	Includes cost for opening "gala" and salary allocation for technicians during "soft opening" in addition to other promotional strategies.
Initial Training Expenses[8]	$773 - $5,029	As arranged	As incurred, but before soft opening	Third party suppliers of transportation, food and lodging for you and your employees
Additional Funds (three months)[9]	$20,000 - $60,000	As arranged	As incurred	Various
Grand Total[10]	$322,492 - $571,533			

Notes:

Note 1. You are responsible for locating a site for the Salon that meets our criteria. You must construct, remodel, alter and improve the location to our specifications. These figures assume that your location will be a leased, unimproved, unfinished retail store-type unit. A typical Salon will be located inside of or adjacent to a retail strip mall or shopping center, or, in the alternative, in urban storefronts. A typical Salon will range in size from 1,500 to 2,500 square feet; and, based on our experience, rent should range from $4.00 to $7.00 per square foot per month, depending upon factors such as type and condition of premises and location.

Note 2. Construction and remodeling costs vary widely, depending upon the location, design, configuration and condition of the premises, the condition and configuration of existing services, and facilities such as air conditioning, electrical and plumbing, and the terms of your lease. The figures in the chart include a general contractor's fee, contractor's insurance, materials and supplies, tools, labor and subcontractor fees, and other costs to construct leasehold improvements conforming to our standards. The figures in the chart do not take into account any tenant improvement allowance that may be negotiated with the landlord.

Note 3. Furniture and fixtures include interior design elements (i.e., reclaimed wood, boxwood, and approved chandelier list), spa chairs, technician chairs, manicure tables, reception desk, beverage bar, waiting area furniture, cabinets for the break room and treatment rooms, other cabinets, treatment room beds, and trolleys.

Note 4. The figures in the chart include the cost of purchasing computer hardware and software that meets our requirements. It includes the purchase price of one terminal, cash register, credit card/gift card machine, receipt printer, network wi-fi adapter, and three months of POS fees (currently, $260 per month). The high figures also include a multi-function printer.

Note 5. The figures in the chart include the cost of purchasing a washer and dryer, music system, security camera and system, refrigerator, microwave, and safe.

Note 6. "Initial Inventory" includes nail polishes, nail gels, acetone, alcohol, nail files, and nail supplies. "Initial Inventory Promotional Materials" includes brochures, banners, business cards, and other promotional materials. The amount and number of items for each Salon will vary.

Note 7. The estimate accounts for the annual premium for the Business Liability Policy.

Note 8. The low figure includes mileage reimbursement and meal costs for three individuals during the initial training program. The high figure includes the cost of salaries and airfare for three individuals (assuming $300 round trip airfare), plus car rental costs for one vehicle, meals, and hotel accommodations (assuming double occupancy) for three people.

Note 9. These estimates do not include managerial salaries or any payment to you. These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries and your base rent for three months. However, we cannot guarantee that those amounts will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. We relied on our founders' operating experience in compiling these working capital estimates.

Note 10. All amounts are non-refundable unless otherwise noted.

If you develop multiple Salons under our development agreement, we estimate that the initial investment for each Salon developed will be substantially the same as is reflected in the chart, subject to applicable inflationary increases.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved or Designated Suppliers

You must purchase from our approved or designated suppliers all fixtures, furniture, and equipment related to the construction and build-out of the Salon. You also must purchase from our approved or designated suppliers your requirements of private label products and other retail merchandise, all products and supplies used in connection with providing service offerings (including nail polishes, waxes, and eyelash extensions), all of your uniforms, advertising, point-of-purchase materials and other printed promotional materials, gift certificates and stored value cards, and your stationery, business cards, contracts, and form, and bags and packaging.

You must purchase the POS computer hardware and software system from our approved suppliers. See Item 11 for more information about computer hardware and software requirements. You also must purchase from us or from designated suppliers your requirement of private label merchandise, business cards, stationery, and other items that bear our Marks.

Supplier Approval

You may purchase any items or services for which we have not identified designated or approved suppliers from any supplier of your choice, so long as the items and services meet our specifications. These specifications may include brand requirements ("Approved Brands"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands.

To the extent that we have identified approved or designated suppliers for any item or service, you may purchase the item or service only from the approved or designated supplier(s). If you wish to purchase, lease, or use items or services for which we have established approved or designated suppliers from a different supplier, you first must ask us to approve the supplier and the purchase, and we will consider or grant any request for approval. If we choose to evaluate a supplier at your request, we will provide you our criteria for supplier approval. In evaluating your request for approval, we may require an opportunity to inspect the proposed supplier's facilities and/or to obtain samples of the supplier's products or access to the proposed provider's facilities for evaluation. We may charge a reasonable testing fee, not to exceed $500, for these testing services. We anticipate that we will be able to notify you of our approval or disapproval within 60 to 90 days from the date we receive all required information or complete any necessary inspections. We may, at our option, periodically re-inspect a supplier's facilities, products, or services, and may revoke our approval at any time, in our sole discretion. We will pay the cost of any re-inspection. You may purchase items or services for which we have not established approved designated suppliers from any source so long as they meet our Standards (which may include brand requirements). We will communicate our Standards to you in writing.

Insurance

You must acquire and maintain, at your own expense, insurance of the type and with minimum limits that we require. Each policy of insurance must name us and our affiliates, and each company's officers, shareholders, directors, managers, members, agents, and employees as additional named insureds on a primary non-contributory basis. Coverage must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to us). The policy must contain a waiver of all subrogation rights against us, our affiliates, and their successors and assigns, and must provide for 30 days' prior written notice to us of any material modifications, cancellations, or expirations. The insurance must be underwritten by insurers licensed and admitted to write coverage in the state in which the Salon is located and must have an A.M. Best rating of "A" or higher.

These policies must include the coverage that we require, which currently includes the following:

Coverage	Minimum Limit
General Liability	$2,000,000 per occurrence/$2,000,000 aggregate limits.
Barber and beautician professional liability insurance	$1,000,000 per occurrence.
Personal injury/advertising	$1,000,000 per occurrence, with $10,000 per person medical benefits.
Property damage	All perils to personal property contained inside and outside the Salon.
Boiler and machinery coverage	Coverage against any loss or damage from explosion of boilers or pressure vessels to the extent applicable to the Salon.
Commercial crime coverage (money and securities)	$10,000 per occurrence – inside; $5,000 per occurrence – outside.

Coverage	Minimum Limit
Vehicle coverage	Coverage for any vehicles used in the Franchised Business or owned by the Franchised Business; $1,000,000 per occurrence/$2,000,000 aggregate limits. You also must follow state requirements for uninsured and underinsured coverage.
Umbrella	$1,000,000 per occurrence/$2,000,000 aggregate limits.
Business interruption	Providing for at least 12 months of profits and necessary continuing expenses.
Workers Comp	You must carry workers compensation insurance whether or not legally required; minimum required by the state in which the franchisee is located, or if coverage is not required $500,000.
Other	Any other insurance necessary for you to comply with all legal requirements concerning insurance coverage for you and your staff to attend our training programs.

At least 10 days before you are required to carry insurance, and after that at least 30 days before the expiration of any policy, you must deliver to us certificates of insurance evidencing the proper types and minimum amounts of required coverage, and evidence of the additional insured and waiver requirements. If you fail to maintain the required insurance, we or our designee may (among other remedies) obtain the insurance for you and charge and demand reimbursement of the premium costs, plus an administrative charge not to exceed 20% of the premium amount as reimbursement for our services in acquiring the insurance.

These are our minimum requirements only, and we have the right to modify these requirements at any time. You should consult with your own insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets. Your landlord and/or state may require more coverage or different types of coverage.

Revenue Derived from Franchisee Purchases and Leases

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us, or our affiliates, and we also may receive payments or material benefits from suppliers based on your purchases or leases.

During our fiscal year ended December 31, 2020, we derived no revenue on account of franchisee purchases or leases.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that required purchases and leases (meaning purchases and leases from our designated suppliers and purchases and leases of items meeting our specifications, excluding real estate) will account for substantially all of your purchases and leases in establishing the Franchised Business and approximately 10% to 15% of all of your purchases and leases in operating the Franchised Business.

Description of Purchasing Cooperatives; Purchasing Arrangements

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

No Material Benefits Based on Supplier Purchases

We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Section(s) in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 3.1. and 3.3.	Not applicable	Items 8 and 11
b. Pre-opening purchases/leases	Sections 3.4., 6.5., 6.6., and 10.1.	Not applicable	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3.2., 3.4., and 5.1.	Article 4	Items 7, 8, and 11
d. Initial and ongoing training	Sections 5.1., 5.6., and 5.7.	Not applicable	Items 6 and 11
e. Opening	Sections 3.5. and 5.2.	Section 4.5.	Item 11
f. Fees	Sections 4.1., 4.2., 4.3., 4.9., 4.10., 6.14., 6.15., 9.2., 9.3., 9.4., 9.6., 12.3., and 12.4.	Article 3	Items 5, 6, 7, 8, and 11
g. Compliance with standards and policies/ Operating Manual	Article 8	Not applicable	Item 8, 11, 14, and 16
h. Trademarks and proprietary information	Article 7	Not applicable	Items 11, 13, and 14
i. Restrictions on products/services offered	Sections 6.4., 6.5., 6.6., 6.7., and 6.8.	Not applicable	Items 8 and 16
j. Warranty and customer service requirements	Not applicable	Not applicable	Not applicable
k. Territorial development and sales quotas	Not applicable	Article 1	Item 12
l. Ongoing product/service purchases	Sections 6.4., 6.5., 6.6., and 8.2.	Not applicable	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 6.7. and 6.10.	Not applicable	Items 7, 8, and 11
n. Insurance	Section 11.2.	Section 7.2.	Item 7 and 8
o. Advertising	Article 9	Not applicable	Items 6 and 11
p. Indemnification	Section 11.3.	Section 7.3.	Items 6 and 12
q. Owner's participation/ management/staffing	Sections 6.2. and 6.3.	Not applicable	Item 15
r. Records and reports	Sections 10.4., 10.5., and 10.6.	Not applicable	Item 6
s. Inspections and audits	Section 6.9. and 10.7.	Not applicable	Items 6 and 11
t. Transfer	Article 12	Article 8	Items 6 and 17
u. Renewal	Section 2.2.	Not applicable	Item 17

Obligation	Section(s) in Franchise Agreement	Section(s) in Area Development Agreement	Disclosure Document Item
v. Post-termination obligations	Article 14	Article 9	Items 6 and 17
w. Non-competition covenants	Article 15	Article 10	Item 17
x. Dispute resolution	Article 19	Article 14	Item 17
y. Guaranty	Sections 2.2., 12.3., 12.4., 18.6., and Attachment D-1	Sections 8.3., 8.4., 13.6., and Attachment D	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, Trinity Peace, LLC is not required to provide you with any assistance.

Pre-opening Obligations.

Before you open the Salon for business:

1. When you sign the Franchise Agreement, we will mutually agree on a Site Selection Area in which you may locate your Salon. (Franchise Agreement, Section 3.1.)
2. We will notify you of our approval or rejection of your proposed site within 21 days of receiving all requested information. (Franchise Agreement, Section 3.2.)
3. We provide you sample drawings for a Salon prototype. (Franchise Agreement, Section 3.4.)
4. We will permit you, your Manager, and/or your Head Technician (up to three persons total) to attend our initial training program, described below. You will pay a fee for any additional attendees. (Franchise Agreement, Section 5.1.)
5. We will, at our cost, provide up to three days of on-site Salon pre-opening and opening assistance. (Franchise Agreement, Sections 5.2. and 5.3.)
6. We will loan you one copy of our Manuals. (Franchise Agreement, Section 8.1.) The Table of Contents of our Confidential Operations Manual is attached to this disclosure document as Exhibit D. Our Manual contains 268 pages.
7. We will provide such pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the Salon, building layout, furnishings, fixtures, and equipment, plans and specifications, employee recruiting, selection, and training, purchasing and inventory control, and such other matters as we deem appropriate. (Franchise Agreement, Section 5.4.)

Continuing Obligations.

During the operation of the Franchised Business:

1. We will provide such ongoing consultation and advice as we deem appropriate, which may include information about new services and product development, instruction concerning the operation and

management of the Salon, advertising and marketing advice, and financial and accounting advice. (Franchise Agreement, Section 5.5.)

2. We will communicate to you information about our approved and designated suppliers. (Franchise Agreement, Section 6.6.)
3. We will administer the Brand Development Fund and allocate funds for authorized purposes. (Franchise Agreement, Section 9.3.)
4. If you enter into an Area Development Agreement with us, upon our receipt of your request to operate a Franchised Business with respect to the Development Schedule, if you have met all of your obligations under the Area Development Agreement, as we determine in our sole discretion, we will grant you the franchise. (Area Development Agreement, Section 4.3.)

Advertising

Our advertising program for the services and products offered by NAIL GARDEN Salons currently consists of Internet advertising, dissemination of coupons and promotional materials in the Los Angeles area, local coupon magazines, and we also advertise on the back of store purchase receipts at major supermarkets. Our advertising materials currently are created in-house and with the help of an outside advertising agency. You will have access to all of our marketing and advertising templates through our Intranet website. You may develop your own advertising and marketing materials, at your own expense, subject to the requirements described below.

We must approve all of your promotional and marketing materials before you use them. To obtain approval, you must submit to us samples of the proposed materials and notify us of the intended media. We will use good faith efforts to approve or deny approval of your materials within 15 days from the date we receive them. You may not use the materials until they are expressly approved by us, and we have the right to disapprove materials that we have previously approved.

Initial Launch Marketing

You must spend between $1,500 and $5,000 to promote the opening of the Salon. Your initial launch marketing campaign will include Groupon or similar website discount offers, as well as hosting a welcome reception at your Salon on the day of the soft opening and on the day of your grand opening.

Brand Development Fund

We may require you to contribute 1% of Gross Revenue each week to the Fund. We may use Fund monies to pay for creative development services (including creation and modification of Salon design and trade dress, products, services, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software); preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, conducting customer surveys, focus groups, and marketing and compliance-related mystery Salons and customer interviews); employing advertising and/or public relations agencies; developing, producing, distributing, and placing advertising (including, but not limited to, preparing and conducting media advertising campaigns in various media, local store advertising and promotion in a particular area or market, or for the benefit of a particular Salon or Salons in connection with store opening promotion or otherwise, conducting and administering in-store promotions; preparing and executing direct mail advertising, and developing, producing, and purchasing point-of-sale advertising, and other sales aids and promotional items and materials); new product or service development and development of product packaging; developing, updating, maintaining, hosting, and increasing the visibility of our website on the Internet (including development of locator programs and payments to SEO firms) and/or an Intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, gift certificates, loyalty card, and stored value card programs, and customized promotions, and the cost of product or service associated with the redemption of free coupons, gift certificates, loyalty cards, stored value cards and/or other customized promotions; developing and administering other customer

loyalty programs; providing and procuring public relations services; conducting public relations activities; charitable donations; membership fees in international, national, regional, and/or local trade or other associations or organizations. We also may use Fund monies to reimburse ourselves for our costs of personnel and other administrative and overhead costs associated with providing the services described in this paragraph.

We will administer the Fund. We will not use Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Fund monies may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. Any amounts contributed to the Fund that are not spent in the year they are collected will remain in the Fund for use during the next year.

Though not contractually required to do so, we anticipate that each NAIL GARDEN Salon that we and our affiliates operate will contribute to the Fund on the same basis as our franchisees. Upon your reasonable written request, we will provide you an annual unaudited statement of Fund contributions and expenditures.

As of the issuance date of this disclosure document, the Fund has not yet been established.

Local Advertising

During the term of the Franchise Agreement, you must spend at least the minimum amount that we require (currently, 2% of Gross Revenue) to promote the Salon in your market area.

Advertising Council

In the future, we may elect to form an advertising council for the benefit of the franchise system. As of the date of this disclosure document, there is no advertising council in effect for the franchise system.

Computer Systems

You must purchase, install and maintain the electronic point of sale computer systems that we designate to record sales and transaction data (such as appointment time, services or products ordered, purchase price, and date of sale) (the "Computer System"). You will use the Computer System as a cash register system, a customer data system, an inventory system, an employee payroll and time maintenance system, and a daily sales reporting system. You must connect the Computer System to a telephone line, a DSL line, or other communications channel capable of accessing the Internet through a third party network. Updates or replacement of the Computer System, both hardware and/or software, may be required. There is no contractual limitation on the frequency or cost of these obligations. We will have the right to independently access all information and financial data recorded by the Computer System for daily polling, audit and sales verification. There are no contractual limitations to our right to access the information and data recorded by your Computer System.

You must purchase and use a desktop computer that is compatible with the point of sale software we designate. You will also license and use Zenoti as your point of sale software to assist you with scheduling appointments, payroll calculation, gift card redemption, scheduling staff and point of sale. The cost to purchase the Computer System, including a license to use the Salon Ultimate software, ranges from $1,549 to $3,749, which includes three months of fees (currently, $260 per month). You must purchase the software from our designated supplier.

At our request, you must install and maintain interactive multi-media equipment, devices, and facilities that we require, including approved music systems, Wi-Fi and other wireless Internet and communications systems, and interactive displays, including plasma or LCD screens.

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

Computer System or other computer equipment.

You must install any other hardware and/or software for the operation of the Salon that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by NAIL GARDEN Salons.

Initial Training Program

Within a reasonable time after you sign a Franchise Agreement for the Salon, and generally no later than six weeks before the opening of your NAIL GARDEN Salon, we will invite you and/or your owners, Manager, and/or your Head Technician (up to three individuals total) to attend our initial training program. You and/or your owners must complete our initial training program to our satisfaction.

Our initial training program is held over a seven to nine-day period in the Los Angeles area. We will provide the training, the instructor(s), a training manual, and other materials without charge for your first three trainees. You must pay us a fee (currently $300 per day) for each additional attendee you send to the initial training program.

The initial training program is held on an as needed basis and is directed and conducted under the supervision of our founder, Fady Bastawros, who has over 16 years' experience in the nail care industry and has been with us since our inception in 2012. Classroom training is currently conducted at our affiliate-owned Salon in Studio City, California, and On the Job Training is currently conducted at our corporate salons in Studio City or Sherman Oaks, California.

TRAINING PROGRAM

Subjects	Hours of Classroom Training	Hours of On the Job Training	Location
Nail Garden Philosophy, Values & Standards	2	0	Sherman Oaks or Studio City, California
Nail Garden Services & Quality	2-4	12	Sherman Oaks or Studio City, California
Management Duties and Relations	2-4	12	Sherman Oaks or Studio City, California
POS Software	2-4	8	Sherman Oaks or Studio City, California
Operational Manual	4	0	Sherman Oaks or Studio City, California
Advertising and Marketing	2-4	0	Sherman Oaks or Studio City, California
TOTALS	16-24	32	

Your Manager, Head Technician, each of your technicians and other of your employees who provide nail care services must comply with our continuing education requirements, as they may be revised periodically. This may include attendance participation in on-line classes held by us or our designated provider. It also may require conducting your own employee training classes using training DVDs and other instructional materials that that we provide. We may charge a reasonable training fee and materials charges for this

training. You are responsible for all costs and expenses of complying with our continuing education requirements including tuition and registration costs, and salary, travel, lodging, and dining costs for all of your employees who participate in the training.

If you designate new or additional managers after the initial training program or would like additional employees to attend the initial training program, we will provide training to these managers and any additional employees at the then-current published rates. You will bear all costs incurred by your employees attending this training program, including travel, wages, meals, and any other costs associated with the training.

Site Selection and Opening

When you sign the Franchise Agreement, we will agree on a "Site Selection Area" within which you may locate the Salon. You must acquire an acceptable site for the Salon in the Site Selection Area within six months of signing the Franchise Agreement, or we can terminate the Franchise Agreement. For each proposed site that you identify, you must deliver to us a franchise site application in a form that we prescribe, including information about the site as we may reasonably request to perform our evaluation. We will approve or refuse to approve your proposed site within 21 days of receiving all requested information about the site. The criteria that we use to evaluate the site include general location, neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

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

When the site is selected, we will mutually agree on an Opening Date for the Salon, which will be no later than six months after the site was acquired.

ITEM 12
TERRITORY

Franchise Agreement

While you will have some protection within your "Protected Area", described below, you will not have an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will operate the Salon at a location that we have approved and may relocate the Salon only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the Salon premises is destroyed or materially damaged by fire, flood, or other natural catastrophe, and you are not in default of the Franchise Agreement or any other agreement with us or our affiliates. If a customer requests services to be performed at a home, business, studio, or other third party location, you may provide the off-site services according to our Standards (which may include service and territorial restrictions). You may not, however, establish another store front, kiosk, or other permanent or temporary business location.

When the Salon location is identified, we will mutually agree on a "Protected Area," which will be identified in Attachment B to the Franchise Agreement. Your Protected Area will be described in terms of zip codes identified on Attachment B, or by identifiable boundaries, such as streets, county lines, rivers, etc., which will be identified on a map and attached to Attachment B. A minimum Protected Area will have

a population of at least 50,000 people.

You may not engage in wholesale sales or distribute private label products or any other products through wholesale means or through other alternative channels of distribution including mail order, catalog sales, and/or Internet sales without our prior written approval.

During the franchise term, we will not own or operate, or grant anyone else the right to operate, a Salon under the trademark NAIL GARDEN within the Protected Area. We reserve to ourselves all other rights, including the right: (a) to own and operate and to grant others the right to own and operate Salons outside the Protected Area, regardless of their proximity to the Protected Area; and (b) to distribute services and products identified by the Marks, such as private label products, through alternative channels of distribution including mail order, catalog sales, and/or Internet sales. We are not required to compensate you if we exercise any of the rights specified above inside your Protected Area.

Except for multi-unit development rights granted under our area development program, described below, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Salons you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. There are no circumstances that permit us to modify your Protected Area, nor do we require that you meet a minimum sales quota.

Area Development Agreement

Under the Area Development Agreement, we grant you the right to develop and operate a specified number of Salons at sites in a specified Development Area. The Development Area will be identified in Attachment B to the Area Development Agreement, and may be described in terms of cities, counties, states, or some other designation.

During the term of the Area Development Agreement, we will not own or operate, or grant anyone else the right to own or operate a NAIL GARDEN Salon in the Development Area.

Except as noted above, there is no restriction on our right to use and to license use of the Marks. We may own and operate and grant others the right to operate NAIL GARDEN Salons and Franchised Businesses and may sell and license others the right to sell other products identified by the Marks anywhere outside the Development Area, regardless of proximity to the Development Area.

Nothing in the Area Development Agreement prohibits or restricts us from (a) owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (i.e., a mark other than NAIL GARDEN), whether or not the business is the same as or competitive with NAIL GARDEN Salons; or (b) owning, operating, or franchising businesses that provide services other than nail care services under a derivative of the NAIL GARDEN brand. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional NAIL GARDEN Salons anywhere, without restriction, including in your Development Area, subject to the rights granted to you in the Protected Area established under any then-existing Franchise Agreement with you.

If you fail to meet any of your obligations under the Development Schedule, including the development obligations, we may (a) terminate or modify any territorial protections granted to you, (b) reduce the size of the Development Area, or (c) reduce the number of Salons which you may establish under the Development Schedule. You may not develop more than the total number of NAIL GARDEN Salons reflected on the Development Schedule without obtaining our prior written consent. We do not grant any rights of first refusal to obtain additional developmental rights. There are no circumstances that permit us to modify your Development Area.

ITEM 13
TRADEMARKS

We own and have registered the following Mark on the Principal Register of the United States Patent and Trademark Office and have filed all required affidavits and renewals.

Mark	Registration Number	Date of Registration	International Class
NAIL GARDEN (standard characters)	4409543	October 1, 2013	44

We claim common law trademark rights in the NAIL GARDEN logo, pictured on the cover page of this disclosure document. But we have not applied to register the logo trademark with the United States Patent and Trademark Office, and do not have a federal registration for this principal trademark. Therefore, our logo does not have many legal benefits and rights as a federally registered trademark. If our right to use the logo trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court. There are no infringing uses actually known to us that could materially affect your use of the Marks, however, a preliminary trademark search suggested that there may be other businesses may be doing business under the name NAIL GARDEN or a similar name in other states, including Arizona, Connecticut, Florida, Georgia, Hawaii, Michigan, Oregon, Nebraska, New Jersey, Pennsylvania, and West Virginia. We have not verified whether these businesses are currently in operation and, if they are in operation, whether they are operating under the NAIL GARDEN trade name. Therefore, it is possible that the name NAIL GARDEN has been or is being used, by others in the nail care business; and we cannot represent with certainty that we have exclusive or superior rights to the name NAIL GARDEN in all geographic areas.

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

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

You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking website (such as FACEBOOK, INSTAGRAM, or TWITTER, whether or not such social media platform is used for commercial gain) or as part of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works (defined below in Item 14), or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against third parties for infringement of our Marks or Copyrighted Works. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks or Copyrighted Works. If we determine that you have used the Marks and Copyrighted Works according to the terms of the Franchise Agreement, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks or Copyrighted Works

according to the terms of the Franchise Agreement, you must pay the cost of the defense, including the cost of any judgment or settlement. In the event a lawsuit relating to your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to the action. Unless the action is the result of your use of the Marks or Copyright Works in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your associated costs.

We have the right to create new, modified or replacement Marks, and to require you to use them in addition to or in lieu of any previously designated Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of copyrighted materials in any state. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking web sites or mobile platforms (such as FACEBOOK, SNAPCHAT (SNAP), INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE).

You will receive proprietary, confidential and trade secret information of our operations. You must maintain the confidentiality of this information unless authorized in writing by us. You may divulge confidential information only to employees who must know it to operate the Franchised Business. All information, knowledge and know-how which we designate as confidential will be deemed confidential, except information which you can demonstrate lawfully came to your attention before our disclosure; or which, at the time of disclosure by us to you, had lawfully become a part of the public domain through publication or communication by others (without violating your obligations to us); or which, after disclosure to you by us, lawfully becomes a part of the public domain through publication or communication by others (without violating your obligations to us).

Any employees having access to confidential information must sign confidentiality contracts. We will be entitled to equitable remedies, including injunctive relief, in order to protect our confidential information, Manual and proprietary marks.

You must promptly notify us when you learn of an unauthorized use of the confidential information or Manual. We are not obligated to take any action against any unauthorized user of the confidential information or Manual but will respond to this information as we deem appropriate. We are not obligated to indemnify you for losses brought by a third party concerning your use of this information.

The Area Development Agreement does not grant you any right to use the Marks or to use any of our trade secret and/or confidential information. The Area Development Agreement does not grant you any right to any copyright or patent which we now own or may own in the future. Rights to the Marks, trade secrets, confidential information, copyrights or patents are granted only under the Franchise Agreement to be signed by you and us.

If you sign an Area Development Agreement, the Developer (as defined in the Area Development Agreement) will return to us all manuals and other confidential information that it receives from us in the course of operating the Salon(s) when Developer leaves the NAIL GARDEN System.

You must not use, in advertising or any other form of promotion, the copyrighted materials, trademarks, service marks or commercial symbols of NAIL GARDEN without the appropriate notices which may be required by law or us, including © or other copyright registration notice.

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

We recommend, but do not require, that the franchisee (or, if the franchisee is a business entity, an individual with an ownership interest in the franchisee entity) directly participates in the operation of the Franchised Business. We do, however, require that the franchisee (or, if the franchisee is a business entity, each of its owners) attend and complete our initial training program to our satisfaction. The Franchised Business must at all times be supervised on-premises by an individual with a cosmetology license. We call this person the "Head Technician." Your Head Technician need not have an ownership interest in the franchise.

If the franchisee is a business entity, each Owner must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment D-1 to the Franchise Agreement. In addition, if you enter into an Area Development Agreement as a business entity, each Owner must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment D to the Area Development Agreement. Any individual, who attends our initial training program must sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D-2 to the Franchise Agreement. The term "Owner" means each individual or entity holding a direct or indirect beneficial ownership in the franchisee or developer. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. Your spouse need not sign a Guaranty and Personal Undertaking, unless he or she is an Owner of the franchisee.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

If a customer requests services to be performed at a home, business, studio, or other third party location, you may provide the services according to the Standards (which may include service and territorial restrictions), as they may be revised from time to time. You may not, however, establish another Salon, kiosk, or other permanent or temporary business location.

You engage in retail sales only; you may not engage in wholesale sales of any kind through any channels of distribution without our prior consent. You may not sell private label products through any means of distribution other retail sale at the Salon location, unless we expressly authorize in writing. We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law.

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

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1.	The earlier of 10 years following the date you open the Salon for business, or 11 years following the Effective Date of the Franchise Agreement.
b. Renewal or extension of the term	Section 2.2.	If you are in good standing, you can renew for four additional consecutive five-year terms.
c. Requirements for franchisee to renew or extend	Sections 2.2.	Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renew, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document, including different Royalty Fee and Brand Development Fund contribution rates, and pay the successor term fee. Other requirements are: you must notify us of your intent to renew; not be in default under the Franchise Agreement; have complied with your material obligations during the franchise term; you have satisfied all monetary obligations owed to us, our affiliates, and third party suppliers; you must, at our request, renovate or modernize your Salon to comply with our then-current standards; demonstrate that you have the right to remain in possession of the Salon premises; comply with the then-current qualifications and training requirements; and you and your Owners sign a general release.
d. Termination by franchisee	No provision	Not applicable
e. Termination by franchisor without cause	No provision	Not applicable
f. Termination by franchisor with cause	Sections 13.1., 13.2., 13.3., 13.4., and 13.5.	We can terminate the franchise if you materially default under your Franchise Agreement, or any other agreement between you and us, or our affiliates. In the event of the death or permanent

Provision	Section in Franchise Agreement	Summary
		incapacity of an Owner, we may terminate if you fail to adhere to the applicable transfer of ownership requirements. We may also terminate you if you become insolvent or file for bankruptcy.
g. "Cause" defined – curable defaults	Sections 13.3., 13.4. and 13.5.	You have 10 days to cure non-payment of fees, 30 days to cure non-compliance with laws and defaults not listed in Section 13.2. You have six months to transfer the interest of an Owner in the event of death or permanent incapacity.
h. "Cause" defined – non-curable defaults	Sections 13.1. and 13.2.	Non-curable defaults include your bankruptcy and other financial insolvency-related events, final judgment and creditor execution against your business assets or foreclosure on your business assets. Non-curable defaults also include failure to complete initial training, failure to acquire a site for the Salon or to open for business by the required dates, abandoning the Franchised Business, losing required licenses or your right to occupy the Salon premises (for example, based on termination of your lease), conviction of a felony or certain types of crimes or offenses likely to have an adverse effect on the System, any attempted transfer in violation of the Franchise Agreement, violation of confidentiality and/or non-competition covenants, material misrepresentations in your franchise application, offering unauthorized products or services, purchases from unapproved suppliers, fail to pass two or more quality assurance/health inspections and or fail to participate in any advertising or marketing program within any rolling 12-month period, two consecutive, unexcused absences from a mandatory training program or class.
i. Franchisee's obligations on termination/ nonrenewal	Article 14	You must cease use of our Marks and Copyrighted Works and cancel any fictitious names you are using, de-identify, pay all amounts due to us, and return the Manuals and any other Confidential Information to us. We may, at our option, assume all telephone numbers, telephone listings, and telephone directory advertisements for the Salon. We may, at our option, assume your lease and purchase certain Salon assets. You must, at our option, cancel or assign to us your rights to any Internet websites or web pages or e-mail addresses

Provision	Section in Franchise Agreement	Summary
		which contain our Marks. (See also "r" below.)
j. Assignment of contract by franchisor	Section 12.1.	There are no restrictions on our right to assign.
k. "Transfer" by franchisee – definition	Sections 12.2., 12.3., and 12.4.	Includes transfer of the franchise or change in ownership of the entity which owns it.
l. Franchisor's approval of transfer by franchisee	Section 12.4.	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for franchisor's approval of transfer	Section 12.4.	You must be in compliance with the Franchise Agreement and all other agreements with us or our affiliates. You must submit a written request which includes the proposed transfer terms to us at least 30 days prior to the proposed transfer for our consideration and consent. You and your Owners must also sign a general release, and all of your monetary obligations to us must be satisfied on or before the date of transfer. You or the new franchise owner must pay the related Transfer Fee. At our election, you or the new franchise owner must refurbish the Salon. The new franchise owner must: meet our current qualifications; complete training; sign our then-current form of franchise agreement which may be materially different from your Franchise Agreement; and sign our then-current form of guaranty and personal undertaking. Additional requirements apply to business entities. (See also "r" below.)
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.8.	We can match any offer to buy your business.
o. Franchisor's option to purchase franchisee's business	Section 14.4.	Upon expiration or termination of your Franchise Agreement, we have the option to purchase some or all of your equipment, furnishings and fixtures at their then-current fair market value which will be determined by a qualified independent third party of our choosing.
p. Death or disability of franchisee	Section 12.9.	Same requirements as for transfer in "m" above, except there is no transfer fee and we do not have a right of first refusal. If your interest is not transferred within six months following your (or an Owner, major member, partner or shareholder's) death or legal incapacity, your Franchise Agreement may be terminated.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 15.1.	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any nail care services business at any location within the U.S., its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; no diversion of any present or prospective customer of ours to a competitor.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2.	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any nail care services business at your former Salon location, or within a 10-mile radius of your former Salon, or within a 10-mile radius of any other NAIL GARDEN Salon location for a period of two years following expiration, termination or transfer.
s. Modification of the agreement	Sections 18.1. and 18.2.	Must be in writing and signed by all parties.
t. Integration/merger clause	Sections 18.1. and 18.2.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 19.2. and 19.3.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks, Copyrighted Works, or Confidential Information.
v. Choice of forum	Sections 19.2. and 19.3.	Mediation at the AAA offices in Los Angeles, California. Venue for any other proceeding is the courts in the county in which our principal business offices are located, currently in Los Angeles County, California (subject to applicable state law).
w. Choice of law	Section 19.1.	Subject to applicable state law, the Franchise Agreement is to be interpreted and construed under California law (without giving effect to any conflict of law) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us

Provision	Section in Franchise Agreement	Summary
		and you will not apply unless its jurisdictional requirements are met independently. If application of California law would limit the enforcement of any Franchise Agreement provision, including the noncompete covenant, your home state's law will apply.

Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Length of the development term	Section 2.1.	The earlier of (a) the date on which you have completed the Development Schedule, or (b) 12:00 midnight CST on the last day of the last Development Period identified in Attachment B to the Area Development Agreement.
b. Renewal or extension of the term	No provision	Not applicable
c. Requirements for developer to renew or extend	No provision	Not applicable
d. Termination by developer	No provision	Not applicable
e. Termination by franchisor without cause	No provision	Not applicable
f. Termination by franchisor with cause	Article 9	We can terminate the Area Development Agreement if you materially default under your Area Development Agreement, or any other agreement between you and us, or our affiliates. In the event of the death or permanent incapacity of an Owner, we may terminate if you fail to adhere to the applicable transfer of ownership requirements. We may also terminate you if you become insolvent or file for bankruptcy.
g. "Cause" defined – curable defaults	Sections 9.3., 9.4., and 9.5.	You have 10 days to cure non-payment of fees, 30 days to cure non-compliance with laws and defaults not listed in Section 9.3. You have six months to transfer the interest of an Owner in the event of death or permanent incapacity.
h. "Cause" defined – non-curable defaults	Sections 9.1. and 9.2.	Non-curable defaults include your bankruptcy and other financial insolvency-related events, final judgment and creditor execution against your

Provision	Section in Area Development Agreement	Summary
		business assets or foreclosure on your business assets. Non-curable defaults also include failure to complete the Development Schedule, conviction of a felony or certain types of crimes or offenses likely to have an adverse effect on the System, any attempted transfer in violation of the Area Development Agreement, violation of confidentiality and/or non-competition covenants, material misrepresentations in your franchise application, or three or more written notices of default are issued within any rolling 12-month period.
i. Developer's obligations on termination/ nonrenewal	Section 2.2.	All territorial protection afforded to you ends, and you will have no further right to develop Salons for which a Franchise Agreement has not been signed. Termination or expiration of the Area Development Agreement will not affect your rights or obligations under any then-existing Franchise Agreement. (See also "r" below.)
j. Assignment of contract by franchisor	Section 8.1.	There are no restrictions on our right to assign.
k. "Transfer" by developer – definition	Sections 8.2., 8.3., 8.4., and 8.7.	Includes transfer of the developer or change in ownership of the entity which owns it. Also includes the assignment of a then-existing Franchise Agreement of a Salon developed by developer.
l. Franchisor's approval of transfer by developer	Article 8	Transfers require our prior written consent, which will not be unreasonably withheld.
m. Conditions for franchisor's approval of transfer	Section 8.4.	You must be in compliance with the Area Development Agreement and all other agreements with us or our Affiliates. You must submit a written request which includes the proposed transfer terms to us at least 30 days prior to the proposed transfer for our consideration and consent. You and your Owners must sign a general release, and all of your monetary obligations to us must be satisfied on or before the date of transfer. You or the new developer must pay the related Transfer Fee. The new developer must: meet our current qualifications; sign our then-current form of area development agreement which may be materially different from your Area Development Agreement; and sign our then-current form of guaranty and personal undertaking.

Provision	Section in Area Development Agreement	Summary
		Additional requirements apply to business entities. (See also "r" below.)
n. Franchisor's right of first refusal to acquire developer's business	Section 8.8.	We can match any offer to purchase your interest in the Area Development Agreement.
o. Franchisor's option to purchase developer's business	Section 8.8.	Refer to "n" above.
p. Death or disability of developer	Section 8.9.	Same requirements as for transfer in "m" above, except there is no transfer fee and we do not have a right of first refusal. If your interest is not transferred within six months following your (or an Owner, major member, partner or shareholder's) death or legal incapacity, your Area Development Agreement may be terminated.
q. Non-competition covenants during the term of the Area Development Agreement	Section 10.1.	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any nail care services business at any location within the U.S., its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. You and your Owner may not divert any present or prospective student of any NAIL GARDEN Salon to a competitor.
r. Non-competition covenants after the Area Development Agreement is terminated or expires	Section 10.2.	Neither you nor your Owners may divert any present or prospective student of any NAIL GARDEN Salon to a competitor; own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any nail care services business within the former Development Area, or within a 10-mile radius of any other NAIL GARDEN Salon location for a period of two years following expiration, termination or transfer.
s. Modification of the agreement	Sections 13.1. and 13.2.	Must be in writing and signed by all parties.
t. Integration/merger clause	Sections 13.1. and 13.2.	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the franchise disclosure

Provision	Section in Area Development Agreement	Summary
		document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 14.2. and 14.3.	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks, Copyrighted Works, or Confidential Information.
v. Choice of forum	Sections 14.2. and 14.3.	Mediation at the AAA offices in Los Angeles, California. Venue for any other proceeding is the courts in the county in which our principal business offices are located, currently in Los Angeles County, California (subject to applicable state law).
w. Choice of law	Section 14.1.	Subject to applicable state law, the Area Development Agreement is to be interpreted and construed under California law (without giving effect to any conflict of law) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently. If application of California law would limit the enforcement of any Franchise Agreement provision, including the noncompete covenant, your home state's law will apply.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote the franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Financial Performance Information for 2019 and 2020

As of December 31, 2020, there were seven franchised NAIL GARDEN Salons, six of which had been operating for the entire 2019 and 2020 calendar years, and four affiliate-owned NAIL GARDEN Salons (which, for purposes of this Item 19, we call "company-owned Salons), all of which had been operating for

the entire 2019 and 2020 calendar years. The following paragraphs contain financial information concerning the six franchised Salons and four company-owned Salons that operated for the entire 2019 and 2020 calendar years. All of the Salons are located in California.

Franchised Salons

	Average Gross Revenue	Median Gross Revenue	Gross Revenue (High)	Gross Revenue (Low)	Number and Percentage of Franchised Salons that Met or Surpassed the Average	Number and Percentage of Franchised Salons that Met or Surpassed the Median
2019 (January 1 - December 31)	$737,824	$605,271	1,629,499	$355,960	3 (50%)	3 (50%)
2020 (January 1 – December 31)	$214,627	$167,309	$510,835	$79,328	1 (16.67%)	3 (50%)

Company-Owned Salons

	Average Gross Revenue	Median Gross Revenue	Gross Revenue (High)	Gross Revenue (Low)	Number and Percentage of Company-owned Salons that Met or Surpassed the Average	Number and Percentage of Company-owned Salons that Met or Surpassed the Median
2019 (January 1 – December 31)	$1,055,802	$1,041,110	1,774,469	$366,521	2 (50%)	2 (50%)
2020 (January 1 – December 31)	$289,704	272,303	$512,590	$101,621	2 (50%)	2 (50%)

Note 1. With respect to both franchised and company-owned Salons, "Gross Revenue" means the total amount received from selling goods and services to customers (excluding the sale of gift cards), less amounts collected for sales tax, calculated according to the cash basis of accounting. "Gross Revenue" does not reflect any deduction for costs of sales, merchant fees, royalty fees, Brand Fund contributions, or operating expenses that must be deducted from the gross revenue to calculate net income or profit.

Note 2. "Average Gross Revenue" for franchised Salons was determined by adding each franchised Salon's Gross Revenue for the stated period and dividing the sum by the number of franchised Salons (i.e., six). "Median Gross Revenue" was determined by identifying each franchised Salon's annual Gross Revenue for the stated period and selecting the mid-point between the middle two numbers.

Note 3. "Average Gross Revenue" for company-owned Salons was determined by adding each company-owned Salon's Gross Revenue for the stated period and dividing the sum by the number of company-owned Salons (i.e., four). "Median Gross Revenue" was determined by identifying each company-owned Salon's annual Gross Revenue for the stated period and selecting the mid-point between the middle two numbers.

Note 4. Company-owned Salons do not pay royalty fees. Paying royalty fees would reduce Gross Revenue

information for company-owned Salons by four percent.

Note 5. As of June 30, 2021, there were seven franchised NAIL GARDEN Salons, six of which had been operating for the entire period January 1, 2021, through June 30, 2021. For the six-month period January 1, 2021, through June 30, 2021, four of the six franchised Salons achieved the following Gross Revenue Amounts: $95,231.83, $168,119.70, $193,822.86, and $426,609.42. We did not include two franchised Salons that operated during this period because, in 2021, they stopped reporting to us their Gross Revenue information. Each of the Salons is located in California.

Note 6. As of June 30, 2021, there were four company-owned NAIL GARDEN salons, all of which had been operating for the entire period January 1, 2021, through June 30, 2021. For the six-month period January 1, 2021, through June 30, 2021, the four company-owned Salons achieved the following Gross Revenue Amounts: $74,620.25, $93,542.75, $363,138.50, and $394,756.14. Each of the Salons is located in California. Please note that Company-owned Salons do not pay royalty fees. Paying royalty fees would reduce Gross Revenue information for company-owned Salons by four percent, resulting in the following Gross Revenue net royalty fee payments: $71,635.44, $89,801.04, $348,612.96, and $378,965.89.

Note 7. In determining how relevant the company-owned Salons' gross revenue data may be to your situation, we caution you to keep in mind that these Salons have been operating for several years and operated by various employees within our organization with vast experience in salon management. Therefore, characteristics of affiliate-owned Salons may differ substantially from the Salon that you will operate depending on your previous experience, competition and demographics in your area, and length of time that affiliate-owned Salons have operated as compared to your Salon.

Average Customer Transaction Amount ($)

Franchised Salons

	Average Customer Transaction Amount	Median Customer Transaction Amount for Franchised Salons[3,4]	Customer Transaction Amount (High)	Customer Transaction Amount (Low)	Number and Percentage of Franchised Salons that Met or Surpassed the Average	Number and Percentage of Franchised Salons that Met or Surpassed the Median
2019 (January 1 - December 31)	$58.71	$56.69	$76.73	$42.48	2 (33.33%)	3 (50%)
2020 (January 1 – December 31)	$60.72	$59.88	$71.34	$49.76	3 (50%)	3 (50%)

Company-owned Salons

	Average Customer Transaction Amount	Median Customer Transaction Amount	Customer Transaction Amount (High)	Customer Transaction Amount (Low)	Number of Company-owned Salons that Met or Surpassed the Average	Percentage of Company-owned Salons that Met or Surpassed the Average
2019 (January 1 - December 31)	$51.46	$51.07	$56.51	$47.19	2 (50%)	2 (50%)

	Average Customer Transaction Amount	Median Customer Transaction Amount	Customer Transaction Amount (High)	Customer Transaction Amount (Low)	Number of Company-owned Salons that Met or Surpassed the Average	Percentage of Company-owned Salons that Met or Surpassed the Average
2020 (January 1 – December 31)	$49.00	$47.65	$62.38	$38.30	2 (50%)	2 (50%)

Note 1. "Customer Transaction Amount" means the amount of a single sales transaction, expressed in dollars.

Note 2. "Average Customer Transaction Amount" for franchised Salons was determined by dividing each franchised Salon's Gross Revenue for the stated period by the total number of sales transactions for the stated period, to determine the "Average Sales Transaction Amount per Franchised Salon." We then divided the sum of the Average Sales Transaction Amount per Franchised Salon for all franchised Salons by the number of franchised Salons (i.e., six). "Median Sales Transaction Amount" was determined by identifying the Average Sales Transaction Amount per Franchised Salon for each franchised Salon and selecting the mid-point between the middle two numbers.

Note 3. "Average Sale Transaction Amount for Company-owned Salons" was determined by dividing each company-owned Salon's Gross Revenue by its total number of sales transactions for the stated period, to determine the "Average Sales Transaction Amount per Company-owned Salon." We then divided the sum of the Average Sales Transactions Amount for Company-Owned Salons by the number of company-owned Salons (i.e., four). "Median Sales Transaction Amount" was determined by identifying the Average Sales Transaction Amount per Company-owned Salon for each company-owned Salon and selecting the mid-point between the middle two numbers.

Average Number of Customer Transactions

Franchised Salons

	Average Number of Customer Transactions	Median Number of Customer Transactions	Number of Customer Transactions (High)	Number of Customer Transactions (Low)	Number and Percentage of Franchised Salons that Met or Surpassed the Average	Number of Percentage of Franchised Salons that Met or Surpassed the Median
2019 (January 1 - December 31)	13,315	11,612	28,690	4,680	2 (33%)	3 (50%)
2020 (January 1 – December 31)	3,583	3,053	8,250	1,112	1 (16.67%)	3 (50%)

Company-owned Salons

	Average Number of Customer Transactions	Median Number of Customer Transactions	Number of Customer Transactions (High)	Number of Customer Transactions (Low)	Number and Percentage of Franchised Salons that Met or Surpassed the Average	Number of Percentage of Franchised Salons that Met or Surpassed the Median
2019 (January 1 - December 31)	20,076	20,355	31,689	7,905	2 (50%)	2 (50%)
2020 (January 1 – December 31)	5,424	5,4140	8,217	2,653	2 (50%)	2 (50%)

Note 1. "Number of Sales Transactions" means total number of recorded annual sales transactions. "Average Number of Sales Transactions" was determined by dividing the total number of annual sales transactions for each franchised Salon and dividing the sum by the number of franchised Salons (i.e., six). "Median Number of Sales Transactions" was determined by identifying the number of annual sales transactions for each franchised Salon and selecting the mid-point between the middle two numbers.

Some outlets attained these results. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable written request.

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 Reham Bastawros, Trinity Peace, LLC, 19360 Rinaldi Street, Suite 521, Porter Ranch, California 91326; 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 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	7	6	-1
	2019	6	6	0
	2020	6	7	+1
Company Owned	2018	3	4	+1
	2019	4	4	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2020	4	4	0
Total Outlets	2018	10	10	0
	2019	10	10	0
	2020	10	11	+1

TABLE NO. 2

Transfers of Salons from Franchisee to New Owners (other than the Franchisor)
For Years 2018 to 2020

State	Year	Number of Transfers
California	2018	0
	2019	0
	2020	1
Texas	2018	0
	2019	0
	2020	0
Total	2018	0
	2019	0
	2020	1

TABLE NO. 3

Status of Franchised Outlets
For Years 2018 to 2020

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
California	2018	6	1	0	0	1	0	6
	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
Texas	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Total	2018	7	0	0	0	1	0	6
	2019	6	0	0	0	0	0	6
	2020	6	1	0	0	0	0	7

TABLE NO. 4

Status of Company Owned Outlets[1]
For Years 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2018	3	0	1	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4
Total	2018	3	0	1	0	0	4
	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4

Note 1: The chart represents outlets owned and operated by our Affiliates.

TABLE NO. 5

Projected Openings
As of December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	3	3	0
Texas	0	0	0
Totals	3	3	0

A list of the names and current addresses of our franchisees as of December 31, 2020, is located in Exhibit F. Exhibit F also reflects the name, city and state, and last business telephone number of each franchisee who has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement as of December 31, 2020. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this disclosure document. Exhibit F also reflects the address and phone number for each affiliate-owned outlet.

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, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit E are our audited balance sheets as of December 31, 2020, 2019, and 2018, and the related statements of operations, changes in members' equity (deficit) and cash flows for the years then ended, and related notes to the financial statements.

ITEM 22
CONTRACTS

Attached as Exhibit A is our current form of Franchise Agreement with the following Attachments:

Attachment A	Glossary of Additional Terms
Attachment B	The Franchised Location, Opening Date and the Protected Area
Attachment C	Entity Information
Attachment D-1	Guaranty and Personal Undertaking
Attachment D-2	Confidentiality and Non-competition Agreement
Attachment E	ACH Authorization
Attachment F	Lease Addendum
Attachment G	Telephone Number Assignment Agreement
Attachment H	Franchisee Questionnaire

Attached as Exhibit B is our current form of Area Development Agreement with the following Attachments:

Attachment A	Glossary of Additional Terms
Attachment B	Development Area and Development Schedule
Attachment C	Entity Information
Attachment D	Guaranty and Personal Undertaking
Attachment E	Form of Franchise Agreement

Attached as Exhibit C is our current form of General Release.

ITEM 23
RECEIPTS

Two copies of a receipt of this disclosure document appear as Exhibit I. Please return one copy to us and retain the other for your records.

TRINITY PEACE, LLC

STATE SPECIFIC APPENDIX TO DISCLOSURE DOCUMENT

TRINITY PEACE, LLC

STATE SPECIFIC APPENDIX TO DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

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.

The California Corporations Code, Section 31125, requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Item 3 of the disclosure document is supplemented by the following:

Except as otherwise disclosed in Item 3, neither the franchisor nor any person identified in Item 2 of the disclosure document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 5 of the disclosure document is supplemented by the following:

The Department of ~~Business Oversight~~Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the Franchisor has completed all its pre-opening obligations and franchisee is open for business.

Item 17 of the disclosure document is supplemented by the following:

California Business and Professions Code, Sections 20000 through 20043 provides rights to the franchisee concerning transfer, termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement contains a covenant not to compete that extends beyond expiration or termination of the agreement. This provision may not be enforceable under California law.

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.).

The Franchise Agreement provides for mediation for certain disputes. The mediation will occur at Los Angeles, California with the costs and expenses, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party) will be borne equally by the parties.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

While the earnings claims figures do reflect certain costs of goods sold, they do not reflect all operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business.

Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

The indemnification provision in the Franchise Agreement and Area Development Agreement may not be fully enforceable as to punitive damages under California law.

OUR WEBSITE CAN BE FOUND AT WWW.NAILGARDEN.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT.~~FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF ~~BUSINESS OVERSIGHT~~FINANCIAL PROTECTION AND INNOVATION AT www.dbo.ca.gov.

EXHIBIT A

TRINITY PEACE, LLC

FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
SUMMARY PAGES

EFFECTIVE DATE:	_____
FRANCHISEE:	_____
FRANCHISEE'S ADDRESS FOR NOTICES:	_____
TELEPHONE NUMBER:	_____
E-MAIL ADDRESS:	_____
SITE SELECTION AREA:	_____
INITIAL FRANCHISE FEE:	☐ $30,000 ☐ $24,000
INITIAL LAUNCH PROMOTION:	$_____
ROYALTY FEE:	Greater of 4% of Gross Revenue per week or Minimum Weekly Royalty Fee
MINIMUM WEEKLY ROYALTY FEE:	No Minimum Weekly Royalty Fee for weeks one through eight; $200 per week for weeks nine through 52; $400 per week for weeks 53 through 104; $700 per week for weeks 105 through end of initial term.
BRAND DEVEOPMENT FUND CONTRIBUTION:	1% of Gross Revenues
LOCAL ADVERTISING REQUIREMENT:	2% of Gross Revenues
SUCCESSOR TERM FEE:	$1,500
RELOCATION FEE:	$1,500
TRANSFER FEE:	An amount equal to 80% of our then-current Initial Franchise Fee if the transfer is to someone other than another NAIL GARDEN franchisee (Transfer of Agreement and/or Controlling Interest, refer to Section 12.4.6.); or An amount equal to 50% of our then-current Initial Franchise Fee if the transfer is to another NAIL GARDEN franchisee or a person with at least a 50% beneficial interest in another NAIL GARDEN franchisee (Transfer of Agreement and/or Controlling Interest, refer to Section 12.4.6.)
FRANCHISOR ADDRESS FOR NOTICES:	Trinity Peace, LLC 19360 Rinaldi Street, Suite 521 Porter Ranch, California 91326 Attention: President

FRANCHISE AGREEMENT
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STATE SPECIFIC AMENDMENTS

ATTACHMENTS:

Attachment A	Glossary of Additional Terms
Attachment B	The Franchised Location, Protected Area and Opening Date
Attachment C	Entity Information
Attachment D-1	Guaranty and Personal Undertaking
Attachment D-2	Confidentiality and Non-competition Agreement
Attachment E	ACH Authorization
Attachment F	Lease Addendum
Attachment G	Telephone Number Assignment Agreement
Attachment H	Franchisee Questionnaire

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages (the "**Effective Date**") by and between Trinity Peace, LLC, a California limited liability company, ("**Franchisor**"), and the franchisee identified in the Summary Pages (referred to in this Agreement as "**you**").

A. Franchisor has acquired the license to use and to sublicense the use of a proprietary system for the operation of an upscale Salon ("**Salon**") that offers manicure and pedicure services and a range of other beauty services, that may include waxing, the application of eyelash extensions, facials, tanning, microblading, and microdermabrasion (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, a distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; the right to use and sell Private Label Products to the extent developed; operation and customer service standards and procedures; advertising and marketing specifications and requirements; and other standards, specifications, techniques, and procedures that Franchisor designates for developing, operating, managing, and promoting a NAIL GARDEN Salon; all of which may be changed, improved, and further developed by Franchisor from time to time (collectively, "**Standards**").

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "NAIL GARDEN" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Marks**").

D. You desire to enter into the business of operating a Salon under the System and Marks (the "**Franchised Business**") and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration for the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT AND PROTECTED AREA

1.1. Grant.

1.1.1. Franchisor grants to you the right to use the System and Marks solely in connection with the operation of the NAIL GARDEN Franchised Business, and you accept the right and undertake the obligation, all according to the terms and conditions contained in this Agreement. This Agreement grants only the right ***(a)*** to use the System and Marks in connection with the retail sale of authorized services and products at the Salon location identified or to be identified in Attachment B ("**Franchised Location**"); and ***(b)*** to use the Marks to advertise and promote the Salon.

1.1.2. If a customer requests services to be performed at a home, business, studio, or other third party location, you may provide services the according to the Standards (which may include service and territorial restrictions), as they may be revised from time to time. You may not, however, establish another salon, kiosk, or other permanent or temporary business location.

1.1.3. This Agreement specifically grants you no right, among others, to ***(a)*** sublicense the use of the System or Marks; ***(b)*** enter into a shared space or co-brand agreement with another business or concept; ***(c)*** deliver or ship Private Label Products or other products, regardless of the destination, without Franchisor's prior written consent; or ***(d)*** distribute Private Label Products or any other products through any wholesale channels, such as mail order, catalog sales, or Internet sales.

1.2. Protected Area.

1.2.1. During the term of this Agreement, Franchisor shall not own or operate, or grant anyone else the right to operate, a NAIL GARDEN Salon within the Protected Area identified in Attachment B.

1.2.2. Franchisor reserves to itself all other rights in and to use the Marks including ***(a)*** the right to own and operate and to grant others the right to own and operate NAIL GARDEN Salons outside the Protected Area, regardless of their proximity to the Protected Area; and ***(b)*** the right to distribute Private Label Products and services and products identified by other trademarks, through alternative channels of distribution including via mail order, mail or online catalog and/or the Internet. You acknowledge and agree that Franchisor's technicians and technicians employed by or affiliated with other franchisees may perform skin and nail care services anywhere, at a customer's request, including inside your Protected Area. Neither Franchisor nor any franchisee is required to compensate you on account of services performed in your Protected Area.

1.2.3. Nothing in this Agreement prohibits or restricts Franchisor from ***(a)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than NAIL GARDEN) whether or not the business is the same as or competitive with NAIL GARDEN Salons; or ***(b)*** owning, operating, or franchising one or more businesses offering similar products or services under the name NAIL GARDEN or some derivative of the Marks.

2. TERM

2.1. Term. The term of this Agreement shall begin on the Effective Date and shall expire, unless earlier terminated, on the tenth anniversary of the Salon opening, but no later than eleven years from the Effective Date, regardless of the date on which the Salon opens to the public for business.

2.2. Successor Terms. You may renew the franchise granted by this Agreement for four additional, consecutive five-year terms if, at the end of each term, each of the following conditions has been satisfied:

2.2.1. You have notified Franchisor of your intent to renew the franchise no less than 180 days and no more than 12 months prior to expiration of the then-current term;

2.2.2. You are not in default of any material provision of this Agreement and you have complied with the materials terms and conditions of this Agreement throughout the term;

2.2.3. You have satisfied all monetary obligations owed to Franchisor, its Affiliates and third party suppliers;

2.2.4. You have renovated and refurbished the Salon premises so that they reflect Franchisor's then-current image, trade dress, equipment, and furnishings requirements;

2.2.5. You have demonstrated to Franchisor's satisfaction that you have the right to remain in possession of the Salon premises, or you have secured an alternate site with Franchisor's prior approval;

2.2.6. You comply with the then-current qualifications and training requirements;

2.2.7. You sign Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement, and each Owner executes a guaranty and personal undertaking in the form Franchisor prescribes;

2.2.8. You and each Owner sign a general and full release in favor of Franchisor and its Affiliates, and their respective, officers, directors, shareholders, members, managers, employees, and agents, of any claims arising out of or related to the franchise relationship including the offer and sale of NAIL GARDEN franchise opportunity; and

2.2.9. You have paid the Successor Term Fee in the amount specified in the Summary Pages.

2.3. Continued Operation After Natural Expiration. If you continue operating the Salon following the natural expiration of this Agreement, such arrangement will be considered an extension of this Agreement; provided that the Royalty Fee, Brand Development Fund Contribution and Local Advertising Requirement will be equal to 125% of the rates described in the Summary Pages, and the arrangement will be terminable at will by either party upon delivery of 10 days advance notice of termination. In addition, your Owners agree to indemnify Franchisor in the event that such operation causes any cost, expense, liability or damage to you or Franchisor. The inclusion of this Section 2.3. should not be construed as Franchisor's permission for you to continue operations after the natural expiration of this Agreement.

3. SITE SELECTION; CONSTRUCTION; STORE LOCATION

3.1. Site Selection. You must identify and acquire a site for the Salon within six months from the Effective Date. The site must be located within the Site Selection Area identified in the Summary Pages, must meet Franchisor's then-current site selection criteria, and must otherwise be mutually acceptable to you and to Franchisor. Franchisor may assist you in site selection, in its sole discretion, which assistance may include making available to you the services of the Franchisor's designated marketing research firm. Ultimately site selection is solely your responsibility.

3.2. Franchise Site Application. For each proposed site that you identify, you must deliver to Franchisor a completed franchise site application in a form Franchisor prescribes, including such information about the site as Franchisor may reasonably request to perform its evaluation. This information may include, among other things, a description of the proposed site, demographic and psychographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations, and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises. Franchisor will approve or refuse to approve a proposed site within 21 days after the receipt of these documents and any additional information as Franchisor may reasonably require. Franchisor's failure to provide notification within this time period shall not be considered either approval or disapproval. **The parties acknowledge and agree that Franchisor's site approval is not an assurance that the Salon will achieve a certain sales volume or level of profitability; it means only that the proposed site meets Franchisor's minimum criteria for NAIL GARDEN Salons.**

3.3. Lease. If you will occupy the Franchised Location under a lease with a third-party landlord, Franchisor has the right to approve the lease terms, and the lease shall not be signed until it has been reviewed and approved by Franchisor. **The parties acknowledge and agree that Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable, it means only that the lease contains the lease terms that Franchisor requires.** The lease must also contain the terms reflected in Attachment F, including Franchisor's option to assume the lease in the event of expiration or termination of this Agreement. You shall provide to Franchisor a fully executed copy of the lease within 10 days after its execution.

3.4. Salon Design and Build Out. You shall follow Franchisor's procedures for the Salon design, construction and build out, shall design, construct and build out the Salon according to Franchisor's standards and specifications for design, décor and layout, and shall equip the Salon according to Franchisor's requirements for fixtures, furnishings, equipment, interior and exterior signage, artwork and graphics, and awnings. You are solely responsible for obtaining all government approvals, zoning classifications, permits, and clearances related to the Salon, and for complying with applicable requirements of the Americans with Disabilities Act and similar legislation. During construction, you must maintain general liability and property damage insurance of the type and with the limits Franchisor requires, protecting you, Franchisor, and its Affiliates, and their respective partners, shareholders, directors, members, manager, agents, and employees. Such policy or policies shall be written by a responsible insurer or insurers acceptable to Franchisor and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates, and their respective partners, shareholders, directors, members, managers, agents, and

employees. You shall notify Franchisor in writing when construction begins, and thereafter shall provide a monthly progress report. Franchisor and its designees have the right to inspect the site at all reasonable times.

3.5. Opening.

3.5.1. When a site is identified, the parties will mutually agree on an opening date ("**Opening Date**"), which will be no later than six months from the date you take possession of the site. The Opening Date will be reflected on Attachment B within a reasonable time after you deliver to Franchisor a signed copy of the lease.

3.5.2. You may open the Salon for business only with prior written permission of Franchisor.

3.5.3. Franchisor will grant permission to open only if ***(a)*** all amounts due Franchisor under this Agreement have been paid; ***(b)*** the Salon has been constructed and equipped according to Franchisor's standards and specifications; ***(c)*** all of your pre-opening and training obligations have been satisfied; ***(d)*** Franchisor has received from you a signed ACH Authorization (Attachment E); ***(e)*** Franchisor has received from you a fully executed copy of your Salon lease containing the mandatory lease terms described in Attachment F; ***(f)*** Franchisor has received from you certificates of insurance as required by Article 11; and ***(g)*** you are otherwise in good standing under this Agreement.

3.6. Relocation. You may relocate the Salon only with Franchisor's prior written consent. Franchisor will grant its consent if your lease expires or terminates through no fault of yours, or if the Salon premises is destroyed or materially damaged by fire, flood, or other natural catastrophe (an "**Innocent Loss or Casualty**") and you are not in default of this Agreement or any other agreement between you and Franchisor or its Affiliates. Selection of the relocation site and Salon construction, renovation, and opening shall be governed by this Article 3; provided that if the relocation occurred as a result of an Innocent Loss or Casualty event, the Salon must be open for business at the new location within 180 days of closing at the previous location; however, if the relocation occurred for any other reason, the Salon must be open for business at the new location within five days of closing at the previous location. You are solely responsible for all relocation costs and expenses, including the relocation fee amount specified in the Summary Pages.

4. FEES

4.1. Initial Franchise Fee. Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Pages. You acknowledge and agree that the Initial Franchise Fee is fully earned by Franchisor when paid and is not refundable.

4.2. Royalty Fee. During the term of this Agreement, you shall pay to Franchisor a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Pages for the right to use the System and the Marks. If any taxes, fees, or assessments are imposed on Royalty Fee payments by reason of Franchisor acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse Franchisor the amount those taxes, fees, or assessments within 30 days after receipt of an invoice from Franchisor.

4.3. Technology Fee. The parties acknowledge and agree that the technological environment is rapidly changing and that it is difficult to anticipate the cost of developing, acquiring, implementing, and licensing Internet and communications technologies that may benefit franchisees of the System. Accordingly, in addition to the Royalty Fee, Franchisor reserves the right to impose a Technology Fee in an amount determined by Franchisor but which shall not exceed a defined amount in any calendar year ("**Technology Fee Cap**"). For calendar year in which this Agreement became effective, the Technology Fee Cap is the greater of $50 per month or $300 per calendar year. The Technology Fee Cap shall increase automatically each calendar year by an amount not to exceed 10% of the prior year's Technology Fee Cap. You agree to pay the Technology Fee according to the terms prescribed by Franchisor.

4.4. Other Fees and Payments. In addition to all other payments provided in this Agreement, you shall pay Franchisor and its Affiliates promptly when due:

4.4.1. All amounts advanced by Franchisor or which Franchisor has paid, or for which it has become obligated to pay on your behalf for any reason whatsoever.

4.4.2. The amount of all sales taxes, use taxes, personal property taxes and similar taxes, which shall be imposed upon you and required to be collected or paid by Franchisor ***(a)*** on account of your Gross Revenue, or ***(b)*** on account of Initial Franchise Fees, Royalty Fees or advertising fees collected by Franchisor from you (but excluding ordinary income taxes). Franchisor, in its discretion, may collect the taxes in the same manner as Royalty Fees are collected and promptly pay the tax collections to the appropriate governmental authority; provided, however, that unless Franchisor so elects, it shall be your responsibility to pay all sales, use or other taxes now or hereinafter imposed by any governmental authorities on Initial Franchise Fees, Royalty Fees and advertising fees.

4.4.3. Amounts due relating to your participation in marketing programs pursuant to Article 9 of this Agreement.

4.4.4. All amounts due for any reason, including on account of purchases of Private Label Products or other products, supplies or services relating to the Franchised Business.

4.5. No Set-Off Rights. You may not set off, deduct or otherwise withhold any fees or other amounts due Franchisor under this Agreement on the grounds of alleged nonperformance by Franchisor of any of its obligations or for any other reason. Withholding royalties or any other amounts due Franchisor is a material breach of this Agreement.

4.6. Payment Terms. All payments required by this Agreement shall be made via electronic funds transfer, or any other means that Franchisor reasonably specifies, on or by the date Franchisor specifies, provided that such day is a Business Day (the "**Due Date**"). If the Due Date is not a Business Day, then payment shall be due on the next Business Day.

4.7. Electronic Fund Transfer. You shall participate in Franchisor's then-current electronic funds transfer program authorizing Franchisor to use a pre-authorized bank draft system. You shall: ***(a)*** comply with Franchisor's procedures, as specified in the Manual or otherwise in writing; ***(b)*** sign and deliver to Franchisor all documents and do all other things necessary to accomplish payment by electronic funds transfer as described in this Section 4.6.; ***(c)*** give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to your bank account for payments of the Royalty Fee, Brand Development Fund contributions, and other amounts payable under this Agreement, including any interest charges; and ***(d)*** make sufficient funds available in your bank account for withdrawal by electronic funds transfer no later than the Due Date for each payment thereof. Your failure to have sufficient funds in your bank account is a material breach of this Agreement.

4.8. Interest; Nonsufficient Funds Charge. Any payments not received by Franchisor by the Due Date will accrue interest at the rate of 10% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Salon operates, whichever is less. If any check, draft, electronic or otherwise, is returned for insufficient funds, you shall pay to Franchisor a nonsufficient funds charge in the amount of $100 and reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.

4.9. Partial Payments; Application of Payments. If you pay less than the amount due, your payment will be considered a partial payment on account. Franchisor may accept such payment as a partial payment, irrespective of any endorsement or other statement that the payment constitutes full payment. Franchisor's acceptance of such partial payment will not be considered a waiver of any of its right to demand or receive full payment, and you hereby waive any estoppel defense in this regard. Franchisor may apply your payments to any indebtedness, in its sole and reasonable discretion, regardless of any designation that accompanies the payment.

4.10. Payment of Taxes. To the extent that any sales, excise, or similar taxes are imposed on payments for goods or services provided by Franchisor, you shall pay such taxes.

4.11. Collection Costs and Expenses. You shall pay Franchisor on demand any and all costs and expenses incurred by Franchisor in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to Franchisor. These costs and expenses include, without limitation, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Revenues of the Salon, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

5. TRAINING AND ASSISTANCE

5.1. Initial Training. Before you may open the Salon for business, you and each Owner must attend and complete initial training to Franchisor's satisfaction. The initial training program will take place at a location and time that Franchisor designates. Up to three individuals (including your Manager and Head Technician) may attend training without charge. At your request, Franchisor may permit additional individuals to attend the same training program, subject to space availability and payment of Franchisor's then-current tuition. You are responsible for all costs and expenses of complying with Franchisor's training requirements including, without limitation, tuition and registration costs, and salary, travel, lodging, and dining costs for all of your employees who participate in the training.

5.2. Salon Opening Assistance. Franchisor will make available one individual to provide you and your staff up to three days of on-site pre-opening and opening assistance. There is no additional fee for this assistance, but you must reimburse Franchisor for all out of pocket costs it incurs in connection with providing such assistance, including travel, lodging and dining costs for the individual providing such assistance. At your request, or if Franchisor deems necessary, Franchisor may, in its discretion, provide additional on-site opening assistance, subject to availability of personnel. Franchisor may charge a daily rate for such assistance, and you agree to pay the rate and to reimburse Franchisor (or pay directly, at Franchisor's option) all out of pocket costs it incurs in connection with providing such additional assistance, including travel, lodging, and dining costs for the individual(s) providing such assistance.

5.3. Ongoing Assistance. Franchisor may agree, but has no obligation, to provide additional on-site training assistance. If such assistance is provided, Franchisor may charge a daily rate for such assistance, and you agree to pay the rate and to reimburse Franchisor (or pay directly, at Franchisor's option) all out of pocket costs it incurs in connection with providing such additional assistance, including travel, lodging and dining costs for the individual(s) providing such assistance.

5.4. Pre-Opening Consultation. Franchisor shall provide such pre-opening consultation and advice as it deems appropriate, which may include advice with regard to the development and operation of the Salon, building layout, furnishings, fixtures, and equipment, plans and specifications, employee recruiting, selection, and training, purchasing and inventory control, and such other matters as Franchisor deems appropriate.

5.5. Ongoing Consultation. Franchisor shall provide such ongoing consultation and advice as it deems appropriate, which may include information about new service and product development, instruction concerning the operation and management of NAIL GARDEN Salon, advertising and marketing advice, and financial and accounting advice. Such consultation and advice may be provided, in Franchisor's discretion, through Salon visits by Franchisor personnel, via meetings, seminars or conferences, and/or through dissemination of electronic or printed materials.

5.6. Continuing Education Requirement. You shall cause your Manager and Head Technician and each of your technicians and other of your employees who provide nail care services to comply with Franchisor's continuing education requirements, as they may be revised from time to time. This may include causing your employees to attend live classes at a place that Franchisor designates or participate in on-line classes held by Franchisor or its designated provider or conducting your own employee training classes using training DVDs and other instructional materials that Franchisor provides. Franchisor may charge a reasonable training fee and materials charges for all such training. You are responsible for all costs and

expenses of complying with Franchisor's continuing education requirements including, without limitation, tuition and registration costs, and salary, travel, lodging, and dining expenses for all of your employees who participate in the training.

5.7. Performance by Delegate. The parties acknowledge and agree that any rights or duties of Franchisor may be exercised and/or performed by any of Franchisor's designees, agents, or employees.

6. OPERATION OF THE FRANCHISED BUSINESS

6.1. General Operating Requirements. You understand and acknowledge that every detail of the System is essential to maintain and enhance the goodwill associated with the Marks and the integrity of the brand. Accordingly, you agree as follows:

(a) To operate the Franchised Business according to the highest applicable health and safety standards and ratings, to timely obtain or cause employees to obtain any and all permits, certificates, or licenses necessary for the lawful operation of the Franchised Business, to operate the Franchised Business according to Franchisor's operating methods, standards, and specifications, and to maintain, at all times, a high moral and ethical standard in the operation of the Franchised Business.

(b) To notify Franchisor within 24 hours of any investigation or violation, actual or alleged, concerning any health or safety regulations, and notify Franchisor in writing within five days of the commencement of any investigation, action, suit or proceeding, and the issuance of any order, writ, injunction, award, or decree of any court, agency or other government instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

(c) Upon the occurrence of a Crisis Management Event, to immediately inform Franchisor as instructed in the Manuals, and to cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

6.2. Manager; Head Technician.

6.2.1. The Salon must be under the direct, on-premises supervision of the Manager or, if the Manager is not on-premises, the Head Technician.

6.2.2. The Manager must be a cosmetologist, with a current license issued by the jurisdiction in which the Salon operates and must attend and successfully complete all training that Franchisor requires, to Franchisor's satisfaction. The Manager need not have an equity interest in the franchisee entity or in the Franchised Business. Franchisor shall have approved the Manager as meeting its then-current qualifications for such position. If the Manager has access to the Manuals, the Manager must execute a Confidentiality and Non-competition Agreement in substantially the form of Attachment D-2. If the Manager ceases to serve in, or no longer qualifies for, the position of Manager, you shall designate another qualified person to serve in this position within 30 days after the date the prior Manager ceases to serve or no longer qualifies to serve. Any proposed replacement Manager must successfully complete any training required by Franchisor, and be approved by Franchisor, before assuming his or her position as Manager and, in no event, later than 90 days after the previous Manager ceased to serve in such position.

6.2.3. The Head Technician must be a cosmetologist, with a current license issued by the jurisdiction in which the Salon operates and must attend and successfully complete all training that Franchisor requires, to Franchisor's satisfaction. Franchisor shall have approved the Head Technician as meeting its then-current qualifications for such position. The Head Technician need not have an equity interest in you or in the Franchised Business. If the Head Technician has access to the Manuals, the Head Technician must execute a Confidentiality and Non-competition Agreement in substantially the form of Attachment D-2. If the Head Technician ceases to serve in, or no longer qualifies for, the position of Head Technician, you shall designate another qualified person to serve in this position within 30 days after the date the prior Head Technician ceases to serve or no longer qualifies to serve. Any proposed replacement Head Technician must successfully complete any training required by Franchisor, and be approved by

Franchisor, before assuming his or her position as Head Technician and, in no event, later than 90 days after the previous Head Technician ceased to serve in such position.

6.3. Employee Policy; Uniforms and Employee Appearance. You shall maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that your employees and/or independent technicians preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as Franchisor may establish from time to time in the Manuals or otherwise in writing. You shall cause all employees and/or independent technicians, while working at the Salon, to: ***(a)*** wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time, and ***(b)*** present a neat and clean appearance. In no case shall any of your employees and/or independent technicians wear his or her NAIL GARDEN uniform while working for you at any location other than the Franchised Business. In addition, you and your employees shall handle all customer complaints, refunds, returns or other adjustments in accordance with Franchisor's policies as set forth in the Manuals or otherwise in writing. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees. You shall defend and indemnify Franchisor and its Indemnitees (as defined in Section 11.3. below) against any and all proceedings, claims, investigations, and causes of action instituted by your employees or by others that arise from your employment practices.

6.4. Authorized Services and Product Offerings. You must offer and sell all services and products that Franchisor requires, and only those services and products that Franchisor has approved. Franchisor may add, eliminate and change authorized services and/or products, in its sole discretion, and you must comply with all directives (which may require purchasing and installing additional equipment). At your request, Franchisor may (but is not obligated to) permit you to offer additional products and/or services upon mutually agreed on terms and conditions that may be memorialized in an addendum to this Agreement. You acknowledge and agree that other franchisees may be permitted to offer additional products and/or services, even if you are denied permission. All retail merchandise must be displayed and packaged in accordance with the Standards. You shall participate in all market research programs that Franchisor requires, which includes test-marketing new services and/or products, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new services and/or products. You shall provide Franchisor with timely reports and test results for all such programs.

6.5. Purchase Requirements. You shall purchase and install, at your expense, all fixtures, furnishings, equipment, décor, signs, and other items as Franchisor may reasonably direct; and shall refrain from installing or permitting to be installed on or about the Salon premises any fixtures, furnishings, equipment, décor, signs, vending or game machines or other items not approved for use by Franchisor. In addition, you shall purchase and use only products, packaging materials, and supplies as conform to Franchisor's standards and specifications, which may include Private Label Products. **Franchisor makes no warranty and expressly disclaims all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to services, products, equipment (including, without limitation, any required computer systems), supplies, fixtures, furnishings or other items approved or required for use in connection with your operation of the Franchised Business.**

6.6. Purchases from Designated Sources.

6.6.1. You agree to purchase only from Franchisor or suppliers designated by Franchisor ("**Designated Suppliers**"): ***(a)*** fixtures, furniture, equipment, signs, items of décor, ***(b)*** your requirements of Private Label Products and other retail merchandise, products, and supplies (including nail polishes, waxes, and eyelash extensions), ***(c)*** uniforms, ***(d)*** advertising, point-of-purchase materials and other printed promotional materials, ***(e)*** gift certificates and stored value cards, ***(f)*** stationery, business cards, contracts,

and form, and ***(g)*** bags and packaging. In addition to Designated Suppliers, Franchisor may require you to buy your requirements of consumables, supplies, and merchandise and items intended for retail sale from approved or designated third party distributors ("**Designated Distributors**"), and you shall comply with all such requirements. Franchisor may receive money or other benefits from Designated Suppliers and Designated Distributors based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion.

6.6.2. You may purchase items and services for which Franchisor has not identified Designated Suppliers or Designated Distributors from any supplier, so long as the items and services meet Franchisor's specifications. These specifications may include brand requirements ("**Approved Brands**"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands.

6.6.3. Franchisor may from time to time modify the list of Designated Suppliers, Designated Distributors, and/or Approved Brands. You shall promptly comply with all such modifications.

6.6.4. Franchisor may approve one or more suppliers for any goods or materials and may approve a supplier only as to certain goods or materials. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and/or the best advertising support and/or services for any group of NAIL GARDEN Salons or any other group of Salons franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor. Franchisor may establish commissaries and distribution facilities owned and operated by Franchisor or an Affiliate that Franchisor may designate as an approved supplier. **Franchisor makes no representation concerning, and expressly disclaims any liability arising out of or in connection with, the services rendered or products furnished by any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor.**

6.6.5. If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval, or shall request the supplier to submit a written request on its own behalf. Franchisor has the right to require, as a condition of its approval, that its representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as Franchisor reasonably requires be delivered to Franchisor and/or to an independent, certified laboratory designated by Franchisor for testing prior to granting approval. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by you. Franchisor will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

6.7. Franchised Location.

6.7.1. You shall maintain the Salon (including adjacent public areas) in a clean, orderly condition and in excellent repair and in accordance with Franchisor's standards. You shall, at your expense, make such additions, alterations, repairs, and replacements under this Agreement as may be required for that purpose, including, without limitation, such periodic repainting, repairing, and replacing of obsolete or deteriorated signs, furnishings, fixtures, equipment, and decor as Franchisor may reasonably direct. Upon Franchisor's request, you shall install and maintain at the Franchised Business interactive multi-media equipment, devices, and facilities Franchisor requires, including, without limitation, approved music systems, Wi-Fi and other wireless internet and communications systems, and interactive displays, including plasma or LCD screens. Only approved films, videos, and music may be played or broadcast at the Salon (which may require acquiring copyright licenses, approved television and/or music channels), and all films, videos, and music must be played only at approved volume levels.

6.7.2. You shall not cause or permit vending, gaming machines, pay telephones, Internet kiosks or any other mechanical or electrical device to be installed or maintained at the Franchised Location.

6.7.3. You shall purchase and install, at your expense, all fixtures, furnishings, equipment, decor, signs, and other items as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing in accordance with Franchisor's standards and specifications; and shall refrain from installing or permitting to be installed on or about the Franchised Location, any fixtures, furnishings, equipment, decor, signs, vending or game machines or other items not previously approved in writing as meeting Franchisor's standards and specifications.

6.7.4. At Franchisor's request, you shall make such alterations as may be necessary to reflect new product offerings and marketing incentives, including updating or replacement new interior signage, graphics, and/or point of sale materials.

6.7.5. At Franchisor's request, but not more often than once every 60 months (and in addition to any work which you may undertake pursuant to other sections of this Agreement), you shall refurbish the Salon, at your own expense, to conform to the building design, trade dress, color schemes, and presentation of the Marks in a manner consistent with the then-current public image for new or remodeled NAIL GARDEN Salons in the System, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by law.

6.8. Days and Hours of Operation. You shall cause the Salon to be open and in normal operation for such minimum hours and days as Franchisor may specify in the Manual or in other written directives, and only during the hours and on the days that Franchisor permits.

6.9. Quality Assurance Inspections; Testing. Franchisor has the right to enter upon the Salon premises during regular business hours to inspect the Salon for quality assurance purposes. You shall allow Franchisor from to time to obtain samples of ingredients, products and supplies, without charge, to test for quality assurance purposes. Franchisor also may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to NAIL GARDEN Salons. You shall participate in such mystery shopper program as prescribed and required by Franchisor. Franchisor shall have the right to require you to pay the then-current charges imposed by such evaluation service with respect to inspection of the Salon, and you agree that you shall promptly pay such charges; provided, however, that such charges shall not exceed $1,000 during each year of this Agreement.

6.10. Modification to the System. At your own expense, you shall make such alterations, additions, or modifications to the Franchised Location as Franchisor may reasonably require or as necessary to implement changes to the System, including, without limitation, changes to products, services or market positioning. You shall make all such changes within 90 days from receipt of notice. You shall not implement any modification to the System without Franchisor's express prior written consent.

6.11. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum pricing requirements with respect to the prices you may charge for products or services.

6.12. Payment Systems. You shall honor such credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY, GOOGLE WALLET, and/or BITCOIN) that Franchisor specifies periodically to enable customers to purchase authorized products, and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, you agree that you shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards ("**PCI DSS**") council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act ("**FACTA**"), and all other data security requirements Franchisor may prescribe. You are solely responsible for educating

yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. You shall defend, indemnify and hold harmless Franchisor, Franchisor's affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees ("**Franchisor Indemnitee**") (from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including but not limited to notification and investigation expenses, reasonable attorneys' fees, the cost of enforcing any right to indemnification hereunder, and the cost of pursuing any insurance providers, arising out of or resulting from any third-party claim or investigation against any Franchisor Indemnitee arising out of or resulting from your failure to comply with any of yours obligations under this Section 6.12.

6.13. Intranet/Extranet System. Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of NAIL GARDEN franchise network may communicate and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any time without liability to you. Franchisor may establish policies and procedures for the intranet's use. Franchisor expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, Franchisor can access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to Franchisor under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, Franchisor may temporarily suspend your access to any chat room, bulletin board, listserv, or similar feature the intranet includes until such time as you fully cure the breach.

6.14. Website. Franchisor may, but shall not be obligated to, maintain a website ("**Website**") that provides information about the System and the goods and services that NAIL GARDEN Salons provide. Franchisor has sole discretion and control over the design and content of the Website. Franchisor may, at its option, dedicate one or more interior pages of its Website to the advertising and promotion of your Salon, and may impose a reasonable fee for hosting and maintaining these pages. The fee will not exceed $10 per week during the first year of this Agreement. This fee limitation will increase, each year during the Term, by an amount equal to 10% of the then-current fee limitation (for example, the fee limitation in year 2 will be $11.00; the fee limitation in year 3 will be $12.10, *etc*.).

6.15. Administrative Fee. If at any time your Salon fails to conform to System requirements, Franchisor shall have the right to impose and collect from you an administrative fee as described in this paragraph ("**Administrative Fee**"). Specifically, ***(a)*** Franchisor may impose and collect from you a $250 Administrative Fee for each "enforcement effort" that Franchisor undertakes on account of your noncompliance with System (e.g., a letter, email, or telephone communication notifying you of noncompliance or continued noncompliance), and ***(b)*** if Franchisor has notified you of noncompliance and you have failed to correct the issue within seven days, Franchisor may impose and collect from you a $250 Administrative Fee per week until the issue has been corrected to Franchisor's satisfaction. Franchisor also may impose and collect a $250 Administrative Fee if you fail to acknowledge receipt of Franchisor's communications to you, or to respond to Franchisor's communications within 24 hours of delivery. This fee is not a penalty, but is intended to compensate Franchisor for the additional costs that Franchisor incurs in enforcing your compliance with the System, and is in addition to and not in lieu of any other rights or remedies that Franchisor may have based on your noncompliance with the System. Franchisor may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that constitutes a material default of your obligations under this Agreement and, if it is, whether or not a cure period applies. At Franchisor's option, Franchisor may require you to demonstrate full compliance with your obligations by submitting to Franchisor a comprehensive walk-through video of your Salon premises in accordance with the Standards.

6.16. Technology Risk. You acknowledge and agree that technology is constantly changing. Technologic devices and computer systems are always being updated, improved, replaced, and discontinued.

Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, you assume all of the risk of all such issues and technology failures, which you acknowledge may affect your ability to order or receive products or to conduct business, and you acknowledge that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

7. MARKS AND COPYRIGHTS

7.1. Franchisor's Representations. Franchisor represents to you that it has obtained from its Affiliate a license to use and to sublicense to you the right to use the Marks in accordance with the terms and conditions of this Agreement.

7.2. Acknowledgments. You expressly acknowledge that Franchisor or its Affiliate owns all right, title, and interest in and to the Marks and the goodwill associated with the Marks, and that you have no ownership interest in the Marks. You agree not to use any other Marks or any marks, names or indicia of origin that are or may be confusingly similar to the Marks in your own corporate or business name except as authorized in this Agreement. You further acknowledge and agree that any and all goodwill associated with the Salon and identified by the Marks is Franchisor's property and shall inure directly and exclusively to the benefit of Franchisor and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks. You understand and agree that any use of the Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's rights herein and that the right to use the Marks granted herein does not extend beyond the termination or expiration of this Agreement.

7.3. Use of the Marks. You shall use only the Marks designated by Franchisor, shall use them only in the manner that Franchisor authorizes and permits, and shall use them with the symbols "®", "™", or "℠", as appropriate. You shall use the Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner prescribed by Franchisor. You may not contest ownership or validity of the Marks or any registration thereof or engage in any conduct that adversely affects the ownership or registration of the Marks, or Franchisor's right to use or to sublicense the use of the Marks. You shall execute all documents that Franchisor requests in order to protect the Marks or to maintain their validity and enforceability.

7.4. Restriction Against Use in Your Legal Name. You may not use the Marks or any part thereof in your legal name and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents necessary to obtain protection of the Marks or to maintain their continued validity and enforceability.

7.5. Restriction Against Use of the Marks and Copyrighted Works on the Internet. You may not use the Marks or any part or derivative thereof or any of Franchisor's Copyrighted Works on the Internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name and may not register as part of any user name on any website (including commercial, gaming, video sharing, user review, and social networking websites), or as part of any unauthorized email address. You also may not display on any website (including commercial, gaming, video sharing, user review, and social networking websites) Franchisor's Copyrighted Works, which include the design portion of its Marks, or any collateral merchandise identified by the Marks.

7.6. Notice. You shall identify yourself as an independent franchise owner of the Franchised Business in conjunction with any use of the Marks or operation of the Franchised Business, including, but not limited to, such use on invoices, order forms, receipts, business stationery, business cards, and contracts, as well as at such conspicuous locations at the Salon as Franchisor may designate in writing. The form and content of such notice shall comply with the standards set forth in the Manuals.

7.7. Infringement. You shall promptly notify Franchisor of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works, or any challenge to Franchisor's or its Affiliate's ownership of, Franchisor's license to use and to license others to use, or your right to use, the Marks or Copyrighted Works licensed under this Agreement. You acknowledge that Franchisor or its Affiliate has the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement thereof. Franchisor or its Affiliate has the right, but not the obligation, to take action against third parties for infringement of the Marks or Copyrighted Works. Franchisor has the right, but is not obligated, to defend you against any third-party claim, suit, or demand arising out of your use of the Marks or Copyrighted Works. In the event of any litigation relating to your use of the Marks or Copyrighted Works, you shall execute any and all documents and do such acts as may be necessary, in Franchisor's sole judgment, to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks or Copyrighted Works in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse you for your associated costs.

7.8. Changes to the Marks. Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Marks for your use and to require your use of any such new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. You must comply with any such directive within 60 days following your receipt of Franchisor's written notice to you, and you are responsible for all related costs and expenses.

8. SYSTEM, MANUALS, AND INFORMATION

8.1. Manuals. Franchisor will provide you access to the Manuals, which may be in electronic format. You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals. The Manuals shall at all times remain the sole property of Franchisor and shall be kept in a secure place at the Franchised Location. You shall ensure that your copy of the Manuals is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling. If your copy of the Manual is lost or destroyed, or if you fail to return the Manual upon expiration or termination of this Agreement, you must pay Franchisor a $150 Manual replacement fee.

8.2. System Modification. You acknowledge that the System, Franchisor's Confidential Operations Manuals and the Manuals, and the services and products offered by the Franchised Business may be modified, (such as, but not limited to, the addition, deletion, and modification of operating procedures, services and products) from time to time by Franchisor. You agree to comply, at your expense, with all such modifications, including, without limitation, all requirements to implement the modifications, such as replacement or renovation of equipment, remodeling, redecoration and modifications to existing improvements, including structural changes. Franchisor shall notify you of any such System changes and you shall implement any System changes upon receipt of notice thereof from Franchisor and shall complete their implementation within such time as Franchisor may reasonably specify. For purposes of this Agreement, System changes shall include, without limitation, changes in any of the categories referred to in this Section 8.2. No such modification will alter your fundamental status and rights as a franchisee under this Agreement.

8.3. Confidential Information and Customer Information. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the operation of the Franchised Business and shall divulge Confidential Information only to your employees and only on a need-to-know basis. This obligation shall survive termination or expiration of this Agreement. Specifically, but without limiting the generality of the foregoing, you acknowledge that all Customer Information, including information relating to customers of the Salon, constitute Confidential Information and said information is owned exclusively by Franchisor.

9. ADVERTISING AND MARKETING

9.1. General. All of your promotional and marketing materials shall be presented in a dignified manner and shall conform to Franchisor's standards and specifications related to advertising, marketing, and trademark use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor shall use good faith efforts to approve or disapprove proposed promotional and marketing materials within 15 days of their receipt. You may not use the promotional or marketing materials until Franchisor expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

9.2. Initial Launch Marketing. When the Salon is ready to open for business, you will conduct an initial launch marketing campaign to coincide with the Salon opening. The campaign must be conducted in accordance with the Standards, which include, among other things, hosting a "soft" opening for invited guests before the Salon formally opens for business and a welcome reception at your Salon within a few days after the Salon's formal opening. These events will include serving food and beverages, where permitted by law. You are responsible for all costs and expenses associated with the campaign, including wages for employees who attend or perform services at these events. You must spend at least the amount stated in the Summary Pages on initial launch marketing.

9.3. Brand Development Fund.

9.3.1. Each month during the Term, you shall contribute to the Brand Development Fund (the "**Fund**") the amount stated in the Summary Pages. You shall submit payment in the same manner as the Royalty Fee and on such Due Date as Franchisor designates.

9.3.2. Franchisor has the right to use Fund monies, in its sole discretion, to pay for creative development services (including creation and modification of store design and trade dress, logos, products, services, design, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software), preparing and procuring market studies, providing or obtaining marketing services (including, without limitation, new product development; conducting customer surveys, focus groups, and marketing-related mystery Salons and customer interviews); employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local store advertising and promotion in a particular area or market, or for the benefit of a particular Salon or Salons in connection with store opening promotions or otherwise), conducting and administering in-store promotions; preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, and other sales aids and promotional items and materials); new product development and development of product packaging; developing, updating, maintaining, and hosting Franchisor's website (including development of locator programs) and/or an intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, gift certificates and stored value card program, and the cost of product associated with the redemption of free coupons, gift certificates and stored value cards; developing and administering other customer loyalty programs; providing and procuring public relations services; conducting public relations activities; charitable donations; and membership fees in international, national, regional, and/or local trade or other associations or organizations. Franchisor also may use Fund monies to reimburse itself for its costs of personnel and other administrative and overhead costs associated with providing the services described in this Section 9.3.2.

9.3.3. The parties acknowledge that Franchisor owns all rights, and retains all copyrights, in all design and content developed using Fund monies, and that Franchisor will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with Fund monies, and the allocations of Fund monies to production, placement, and other costs.

Franchisor will own all copyright in any works created using Fund monies. You acknowledge and agree that Franchisor is not obligated to expend Fund monies for placement of advertising in your trading area, or to ensure that the Franchised Business benefits directly or *pro rata* from the expenditure of Fund monies. Franchisor will not use Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Fund monies may be used to create and maintain one or more pages on Franchisor's website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. Franchisor has no fiduciary duty to you or to any other person with respect to the collection or expenditure of Fund monies. Each NAIL GARDEN Salon owned by Franchisor, or its affiliate, will contribute to the Fund on the same basis and at the same percentage as its franchisees. Upon your reasonable request, Franchisor will provide you an annual statement of Fund contributions and expenditures.

9.3.4. Although the Brand Development Fund is intended to be perpetual, Franchisor may terminate the Fund at any time. The Fund will not be terminated, however, until all Fund monies have been spent as provided in this Section 9.3. or returned to Fund contributors on the basis of their respective contributions. Any amounts contributed to the Fund that are not spent in the year they are collected will remain in the Fund for future expenditures.

9.4. Local Advertising. The parties acknowledge and agree that participation in local and community marketing efforts is important to the financial performance of your Salon. In addition to the Initial Launch Marketing, described above, you agree to continuously market the Franchised Business, which includes conducting periodic marketing campaigns in accordance with the Standards, and to spend on such marketing efforts the amount stated in the Summary Pages ("**Local Advertising Requirement**"), measured on a monthly basis. At Franchisor's request, you shall provide Franchisor with a proposed marketing budget and proof of marketing expenditures.

9.5. Loyalty Programs, Prize Promotions, and Promotional Literature.

9.5.1. You shall participate in and promote all customer loyalty and reward programs, and shall conduct all contests, sweepstakes, and other prize promotions that Franchisor develops from time to time. Franchisor will communicate to you the promotion details, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Salon as Franchisor may designate. You shall purchase and distribute all coupons and other collateral merchandise designated by Franchisor for use in connection with each such program or promotion.

9.5.2. If Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, loyalty cards and/or customized promotional receipts, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and/or loyalty cards belong exclusively to Franchisor, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift certificates and/or loyalty cards accepted as payment for services and products sold by the Salon.

9.5.3. You shall at all times cooperate with Franchisor and other franchisees of Franchisor and shall actively participate in any and all sales, public relations, advertising, cooperative advertising and purchasing programs or promotional programs (including, without limitation, product give-away promotions) which may be developed and implement by Franchisor. Participation may include, without limitation, purchasing (at your expense) and using ***(a)*** point of sale materials, ***(b)*** counter cards, displays, and give away items promoting loyalty programs, prize promotions, and other marketing campaigns and programs. You also shall display at the Salon all promotional literature and information as Franchisor may reasonably require from time to time. This may include, among other things, displaying signage or other literature containing information about NAIL GARDEN franchise offering.

9.6. Social Media and Internet Listings. You shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with your operation of the Franchised Business and you agree to comply with any Social Media policy Franchisor implements. Franchisor shall create and own all Social Media accounts used in operation of the Franchised Business and shall allow your access and use only in strict compliance with Franchisor's rules. Franchisor reserves its right to remove your access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, your access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, personal blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, FOURSQUARE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

9.7. Public Relations. You shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business, other Salons, or any particular incident or occurrence related to the Franchised Business or other Salons, without the Franchisor's prior written approval.

9.8. Association with Causes. You shall not in the name of the Franchised Business, other Salon, or System ***(a)*** donate money, products, or services to any charitable, political, religious, or other organization, or ***(b)*** act in support of any such organization, without the Franchisor's prior written approval.

10. COMPUTER SYSTEM; ACCOUNTING AND RECORDS; TAXES

10.1. Computer System. You shall acquire and use only the point-of-sale cash registers and computer systems and equipment that Franchisor prescribes for use by NAIL GARDEN Salons ("**Computer System**") and adhere to Franchisor's requirements for use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections. As technology or software is developed in the future, Franchisor may, in its sole discretion, require you to add to your Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your Computer System and software as Franchisor prescribes. You shall acquire, install and maintain such anti-virus and anti-spyware software as Franchisor requires, and shall adopt and implement such Internet user policies as Franchisor may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with operation of the Computer System.

10.2. Software. You shall: ***(a)*** use any proprietary and nonproprietary software programs, system documentation manuals, and other proprietary and nonproprietary materials that Franchisor requires in connection with the operation of the Salon; ***(b)*** input and maintain in your computer such data and information as Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and ***(c)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees imposed thereunder.

10.3. Independent Access. Franchisor may independently poll Gross Revenue, customer information, and other information input and compiled by your Computer System from a remote location. There is no limitation on Franchisor's right to access this information.

10.4. Maintenance of Records. You shall prepare and preserve for at least five years from the date of preparation complete and accurate books, records, and accounts according to generally accepted accounting principles and in the form Franchisor prescribes.

10.5. Submission of Financial Statements and Tax Returns. No later than March 30 of each calendar year, you shall provide to Franchisor ***(a)*** a copy of the previous year's annual profit and loss statements; ***(b)***

a copy of the previous year's sales tax returns; and ***(c)*** a copy of your federal and state income tax returns for the previous year; provided, however, that if you are an individual franchisee, you may submit only those schedules to your personal tax returns which reflect the revenues and expenses of the Franchised Business.

10.6. Submission of Performance Reports. You shall accurately report to Franchisor the Salon's Gross Revenue and such other financial information, as Franchisor may reasonably require, using the procedures as Franchisor prescribes periodically. Reports shall be due on the date prescribed by Franchisor, and shall be signed by an authorized representative, attesting to their accuracy. Within 30 days following the end of each fiscal quarter, you shall provide to Franchisor a copy of your profit and loss statements prepared according to generally accepted accounting principles and which accurately reflect your financial information for the period requested by Franchisor. You also shall provide to Franchisor such other reports, computer back-up and other information that Franchisor may reasonably request.

10.7. Audit of Franchisee Records. Franchisor or its designated agent has the right to audit, examine and copy your books, records, accounts, and business tax returns at any time. If an inspection or audit reveals underpayment of amounts owed to Franchisor, you shall immediately pay the understated amount with interest as provided in Section 4.7. If an audit or inspection reveals your understatement of Gross Revenues by 2% or more during any continuous six-month period then, in addition to amounts due on the understatement and interest, you shall promptly reimburse Franchisor all costs and expenses that it incurred in connection with performing the audit or inspection (including travel, lodging and wage expenses, and attorneys' and accountants' fees).

10.8. Use of Financial Information in Franchise Disclosure Document. You acknowledge and agree that it may be in the best interest of the franchise system to share historical revenue and expense information with prospective franchisees. To that end, you hereby authorize Franchisor to publish information concerning the Salon's Gross Revenues and other information reported to Franchisor in its franchise disclosure document.

10.9. Taxes. You shall promptly pay all taxes due and owing based on your operation of the Salon and the Franchised Business including, without limitation, sales taxes, income taxes, and property taxes.

11. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

11.1. Independent Contractor. The parties acknowledge and agree that you are operating the Franchised Business as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party may bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, nor contract any debts or obligations on behalf of the other party, or their affiliates, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the Franchised Business in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

11.2. Insurance Obligations.

11.2.1. You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies protecting you, Franchisor and its Affiliates, and their respective partners, shareholders, directors, members, managers, agents, and employees, against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the Franchised Business.

11.2.2. Such policy or policies shall: ***(a)*** be written by insurer(s) licensed and admitted to write coverage in the state in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; ***(b)*** name Franchisor and its Affiliates, and their

partners, officers, subsidiaries, affiliates, shareholders, directors, managers, members, regional directors, agents, and employees as additional insureds on a primary non-contributory basis; ***(c)*** the additional insured coverage must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to Franchisor); and ***(d)*** comply with Franchisor's written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage specified below or as described within Franchisor's written notice to you.

11.2.3. Such policies shall include, at the minimum, the following policies: ***(a)*** "All risk" or "special" property insurance, covering all real and personal property and equipment on a replacement costs basis, including business interruption for at least a 12-month period, and boiler and machinery coverage; ***(b)*** comprehensive general liability insurance, including products and completed operations in an amount of not less than the following combined single limits: $2,000,000 per occurrence, $2,000,000 aggregate, per location, and $1,000,000 personal and advertising injury; ***(c)*** barber and beautician professional liability insurance with limits of not less than $1,000,000; ***(d)*** automobile liability coverage, including coverage of owned, non-owned, rented or hired vehicles with limits of not less than $1,000,000 per occurrence, $2,000,000 aggregate; ***(e)*** commercial crime coverage (including coverage for money and securities) with limits of not less than $10,000 per occurrence – inside, and $5,000 per occurrence – outside; ***(f)*** workers' compensation insurance that meets statutory limits (or, if coverage is not required in the jurisdiction in which the Salon operates, $500,000); ***(g)*** umbrella coverage with limits of not less than $1 million per occurrence, $2,000,000 aggregate; and ***(h)*** any insurance as is necessary to comply with all legal requirements concerning insurance coverage for you and your personnel attending Franchisor's training programs. Each year Franchisor may unilaterally modify the insurance minimum coverage requirements which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

11.2.4. In connection with any and all insurance that you are required to maintain under this Section 11.2., you and your insurers shall agree to waive their rights of subrogation against Franchisor, and you shall provide evidence of such waiver in accordance with this Section 11.2. Franchisor may unilaterally modify these insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change.

11.2.5. Your obligation to obtain and maintain insurance is not limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 11.3., below.

11.2.6. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as additional insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor, or its Affiliates, partners, members, managers, shareholders, officers, directors, agents, or employees by reason of your negligence.

11.2.7. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor certificate of insurance evidencing your compliance with this Article 11. Each certificate of insurance shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

11.2.8. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee shall have the right and authority (but not the obligation) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium upon demand.

11.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates and their respective directors, officers, managers, members, employees, shareholders, and agents, (collectively the "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand,

investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with your operation of the Franchised Business including, but not limited to, claims arising as a result of the maintenance and operation of vehicles or the Franchised Location (collectively an "**event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 11.3., the term "**losses and expenses**" includes compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the indemnities or the System.

12. TRANSFER OF INTEREST

12.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Marks or Copyrighted Works, or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and System and/or the loss of association with or identification of Trinity Peace, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. You agree 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 as NAIL GARDEN Salons operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to the Franchised Business).

12.2. Transfer by Individual Franchisee to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if ***(a)*** the Business Entity is formed solely for purposes of operating the Franchised Business; ***(b)*** the individuals who have signed this Agreement as the "franchisee" own all of the equity in the Business Entity; ***(c)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed; and

(d) all holders of a legal or beneficial interest in the Business Entity has signed a Guaranty and Personal Undertaking in the form of Attachment D-1. There is no transfer fee for this type of assignment.

12.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer; ***(b)*** Attachment C has been amended to reflect the new ownership; ***(c)*** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D-1; and ***(d)*** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires. There is no fee for this type of assignment, but you must reimburse Franchisor for any legal fees that it incurs in connection with the assignment.

12.4. Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially all of the assets of the Salon, and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

12.4.1. You shall have requested consent in writing and delivered to Franchisor a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of the Franchised Business.

12.4.2. The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

12.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

12.4.4. You or the transferee shall have agreed to refurbish the Salon premises so that it meets Franchisor's image requirements for a new NAIL GARDEN Salon;

12.4.5. You and each Owner shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, manages, members, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

12.4.6. You or the transferee shall have paid the applicable Transfer Fee in the amount set forth in the Summary Pages;

12.4.7. The transferee shall have executed Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement and may include, among other things, a different percentage royalty fee and different advertising obligations. The term of such agreement shall be the remaining term of this Agreement at the time of transfer

12.4.8. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Guaranty and Personal Undertaking;

12.4.9. The transferee shall have complied with Franchisor's then-current initial training requirements;

12.4.10. You or the transferee shall have provided Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post transfer viability of the Franchised Business;

12.4.11. You have complied with the requirements set forth in Section 12.8.; and

12.4.12. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

12.5. Transfers Void. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

12.6. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

12.7. Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 12.4. and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

12.8. Right of First Refusal. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 12.8. shall not constitute a waiver of any of the transfer conditions set forth in this Article 12.

12.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject

to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 12.9., the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 13.5.

12.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

13. DEFAULT AND TERMINATION

13.1. Termination In the Event of Bankruptcy or Insolvency. You will be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed and against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

13.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** your Manager or Head Technician fails to successfully complete training; ***(b)*** you fail to acquire a site by the Control Date; ***(c)*** you fail to open the Salon for business by the Opening Date; ***(d)*** you abandon the Franchised Business (which will be presumed if you cease operations for three consecutive business days or more); ***(e)*** you lose any license required to operate the Franchised Business or you lose your right to occupy the Salon premises (including termination of your lease); ***(f)*** you or any Owner or Manager is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(g)*** there is any transfer or attempted transfer in violation of Article 12 of this Agreement; ***(h)*** you or any Owner fails to comply with the confidentiality or non-compete covenants in Section 15.1. of this Agreement; ***(i)*** you or any Owner has made any material misrepresentations in connection with your franchise application; ***(j)*** you knowingly maintain false books or records or submit any false reports or statements to Franchisor; ***(k)*** you offer unauthorized products or services from the Salon premises or in conjunction with the Marks or Copyrighted Works; ***(l)*** you purchase items from unapproved sources in violation of this Agreement; ***(m)*** you fail to pass two or more quality assurance/health inspections within any rolling 12-month period; ***(n)*** you fail to participate in any advertising or marketing program pursuant to Sections 9.5. or 9.6. on two or more occasions within any rolling 12-month period; ***(o)*** your Manager or Head Technician has two consecutive, unexcused absences from a mandatory training program; or ***(p)*** Franchisor delivers to you two or more written notices of default pursuant to this Article 13 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

13.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the

following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor or its Affiliates; ***(c)*** you fail to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); ***(d)*** you fail to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; ***(e)*** failure to comply with your minimum monthly local advertising expenditure requirements; or ***(f)*** your violation of any provision of this Agreement concerning the use and protection of the Marks or Copyrighted Works.

13.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 13, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

13.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 12.9. is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

13.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, and failure to cure within any applicable cure period, is a default under this Agreement and provides an independent basis for termination of this Agreement.

13.7. Additional Remedies. In addition to, or in lieu of, termination of this Agreement, in its sole discretion, Franchisor may require the Salon be closed during any cure period relating to a default based on public health and safety concerns.

13.8. Cost of Enforcement. If Franchisor incurs any costs associated with the enforcement of this Agreement or with efforts to resolve issues of your noncompliance with this Agreement, you shall reimburse Franchisor, upon demand, for all such costs including, but not limited to, costs of personnel, travel and lodging expenses, attorneys' fees, expert fess, cost of public relations, and cost of audit and inspections or investigations.

14. POST TERMINATION OBLIGATIONS

14.1. Cease Use of Marks and Copyrighted Works; Cancellation of Fictitious Name; Assignment of E-mail Addresses, URLs, Domain Names, Internet Listings. Upon termination or expiration of this Agreement, you shall immediately cease all use of the Marks, Copyrighted Works and Confidential Information. You shall cancel any assumed name registration containing the Marks. You shall, at Franchisor's option and request, assign to Franchisor all rights to all e-mail addresses, URLs, domain names, Internet listings, and Internet accounts related to the Franchised Business. You hereby appoint Franchisor as your attorney-in-fact with full power and authority for the sole purpose of assigning these rights to Franchisor. This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect until the termination or expiration of this Agreement.

14.2. Assignment of Lease; De-Identification. At Franchisor's request, you shall assign to Franchisor or its designee your interest in the lease, including your interest in all leasehold improvements, without additional compensation. If Franchisor does not request assignment of the lease before or as of the date of expiration or termination of this Agreement, then within 10 days after termination or expiration of this Agreement, you shall modify the Salon premises (including, without limitation, the changing of the color scheme and other distinctive design features, and the changing of and assigning to Franchisor of, the telephone numbers) as may be necessary to distinguish the appearance of the Franchised Location from that of other NAIL GARDEN Salons, and shall make such specific additional changes to the Franchised Location as Franchisor may reasonably request for that purpose.

14.3. Return of Manuals and Other Confidential Information. You shall immediately deliver to Franchisor the Manuals and all other manuals, records, correspondence, files, and any instructions containing Confidential Information relating to the operation of the Franchised Business which are in your possession; and all copies thereof (all of which are acknowledged to be the property of Franchisor).

14.4. Franchisor's Right to Purchase, Fixtures, and Tangible Assets. Franchisor has the option to purchase your interest in any or all of the Salon's leasehold improvements, furniture, fixtures, equipment, inventory, supplies, and interior and exterior signs at their then-current fair market value, to be determined by a qualified independent third party of Franchisor's choosing and may set off against the purchase price any amounts that you owe to Franchisor. Franchisor shall exercise its option by written notice to you delivered on or before the date of expiration or termination of this Agreement.

15. COVENANTS

15.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner also agree that the license to use the Marks and to receive the benefit of the goodwill symbolized by the Marks will provide a competitive advantage and is the primary reason you are entering into this Agreement. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

15.1.1. Divert or attempt to divert any present or prospective customer of the Franchised 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 and the System.

15.1.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business at any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

15.2. Non-Competition After Expiration or Termination of Agreement. Commencing upon the later of: ***(a)*** a transfer permitted under Article 12 of this Agreement, expiration of this Agreement, or termination of this Agreement (regardless of the cause for termination) or ***(b)*** a final court order (after all appeals have been taken) with respect to any of the foregoing events or with respect to enforcement of this Section 15.2., and continuing for an uninterrupted period of two years thereafter, you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with a Competitive Business ***(i)*** is, or is intended to be, located at the location of the former Franchised Business; ***(ii)*** is within the former Protected Area of the Salon (or, if there was no protected area, within a ten-mile radius of the Salon); or ***(iii)*** within a 10-mile radius of the Salon or any other Salon operating under the System and Marks in existence or under development at the time of such expiration, termination or transfer. If any Owner ceases to be an Owner of the Franchisee for any reason during the term of this Agreement, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. The time period described in this Section 15.2. shall be tolled during any period of noncompliance.

15.3. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.1. and 15.2., or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants in this Article 15. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this

Article 15.

15.4. Covenants from Individuals. Each individual who attends Franchisor's training program and other key employees designated by Franchisor shall be required to sign a confidentiality and non-competition agreement substantially in the form attached as Attachment D-2 to this Agreement. You shall be responsible for ensuring compliance with such agreement.

15.5. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

15.6. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

15.7. Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of NAIL GARDEN Salon (an "**Improvement**"), you agree to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to Franchisor any rights you or your Owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint Franchisor as agent and attorney-in-fact for you and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 15.7. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights therein.

16. REPRESENTATIONS

16.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

16.2. Representations of Franchisee.

16.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; and ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your

activities are confined exclusively to the operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to NAIL GARDEN Salon; and the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized.

16.2.2. You acknowledge that you have conducted an independent investigation of NAIL GARDEN franchise opportunity and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

16.2.3. Except for representations contained in Franchisor's Franchise Disclosure Document provided to you in conjunction with this franchise offering, you represent that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential gross revenues, expenses or profit of a NAIL GARDEN Salon.

16.2.4. You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

16.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

16.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, members, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

16.3. Business Judgment. Notwithstanding any contrary provisions contained in this Agreement, the parties acknowledge and agree that ***(a)*** this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests; ***(b)*** Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Salons generally (including Franchisor, and its Affiliates and other franchisees), and specifically without considering your individual interests or the individual interests of any other particular franchisee (examples of items that will promote or benefit the System and Salons generally include, without limitation, enhancing the value of the Marks and/or NAIL GARDEN brand, improving customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); ***(c)*** Franchisor will have no liability to you for the exercise of its discretion in this manner; and ***(d)*** even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER

EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

17. NOTICES

17.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by facsimile or other electronic system. Service shall be deemed conclusively made ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by telecopier, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

18. CONSTRUCTION

18.1. Entire Agreement. This Agreement and any other agreements executed by the parties concurrently with the parties' execution of this Agreement represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Except for Franchisor's unilateral rights under this Agreement, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement is intended to disclaim any representation made in the franchise disclosure document delivered to you in connection with your purchase of an NAIL GARDEN franchise.

18.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

18.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

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

18.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms shall have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

18.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. Each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D-1. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the Guaranty and Personal Undertaking.

18.7. Rules of Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

18.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

19. APPLICABLE LAW; DISPUTE RESOLUTION

19.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of California (without giving effect to any conflict of laws); provided that, if application of California law would limit the enforcement of any Franchise Agreement provision, including the noncompete covenant, your home state's law will apply to that provision to the extent necessary to effect maximum enforcement. In addition, the California Franchise Investment Law (which begins at section 31000 of the California Corporations Code) and California Relations Act (which begins at section 20000 of the California Business and Professions Code) and similar franchise protection legislation will apply only to the extent the jurisdictional requirements of such legislation are met independent of this Agreement.

19.2. Mediation.

19.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim, controversy or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, agents, representatives and/or employees) and you or your Affiliates (and your Owners, agents, representatives and/or employees) arising out of or related to ***(a)*** this Agreement or any other agreement between Franchisor and you, ***(b)*** Franchisor's relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy or dispute in a court or before any other tribunal.

19.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("**AAA**") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city where Franchisor maintains its principal business offices at the time the mediation is initiated. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

19.2.3. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 19.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

19.2.4. Notwithstanding the foregoing provisions of this Section 19.2., the parties' agreement to mediate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, Copyrighted Works or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in

a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

19.3. Venue. With respect to any controversies, disputes or claims, as provided in Section 19.2., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the state and federal judicial district courts located in the county where Franchisor maintains its principal business address at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

19.4. Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

19.5. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

19.6. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19.7. Right to Injunctive Relief. Nothing contained in this Agreement bars Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

19.8. Attorneys' Fees. If either party commences a legal action against the 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 of suit.

19.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

19.10. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates noted below, but effective for all purposes as of the Effective Date.

TRINITY PEACE, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Trinity Peace, LLC, a California limited liability company ("**Franchisor**"), and _____ ("**you**"), as the franchisee. Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Notwithstanding the payment provision in Section 4.1 of the Franchise Agreement, payment of the Initial Franchise Fee and the required purchase of the mandatory initial promotional and marketing materials shall be deferred until the Franchisor has completed all of its pre-opening obligations to you under the Franchise Agreement, with such payment due on the first day the Salon opens for business. You acknowledge and agree that payment of the Initial Franchise Fee and the initial promotional and marketing materials is fully earned by Franchisor when paid and is not refundable.

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

TRINITY PEACE, LLC	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Account**" means your commercial bank operating account.

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Agreement**" means the Franchise Agreement.

"**Business Day**" means each day other than a Saturday, Sunday, U.S. holiday or any other day on which the Federal Reserve is not open for business in the United States.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Competitive Business**" means any business providing nail care services other than another NAIL GARDEN Salon operated pursuant to a valid franchise agreement with Franchisor.

"**Confidential Information**" means all trade secrets, and other elements of the System; all Customer Information; all information contained in the Manuals; Franchisor's standards and specifications for all services and products offered at NAIL GARDEN Salons; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, and all other information that Franchisor designates.

"**Control Date**" means the date specified in the Summary Pages which is the date you must acquire a site approved by Franchisor for the development of the Salon.

"Copyrighted Works" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor's product packaging, and advertising and promotional materials, and the content and design of Franchisor's Website and advertising and promotional materials.

"**Crisis Management Event**" means any event that occurs at or about the Salon premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

"**Customer Information**" means a customer's name and other personal identifying information, contact information, and history of services and preferences.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot or other civil disturbance; epidemics; or other similar forces which could not, by the exercise of reasonable diligence, have been avoided; provided, however, that neither an act or failure to act by a government authority, nor the performance, nonperformance, or exercise of rights by your lender, contractor, or other person qualifies as a Force Majeure unless the act, failure to act, performance, non-performance, or exercise of rights resulted from a Force Majeure. Your financial inability to perform or your insolvency is not a Force Majeure.

"**Gross Revenue**" means the aggregate of: ***(a)*** all revenue from the sale of services and products, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of a NAIL GARDEN

Salon; ***(b)*** all monies, trade value or other things of value that you receive from Salon operations at, in, or from the Salon premises that are not expressly excluded from Gross Revenue; and ***(c)*** business interruption insurance proceeds. Gross Revenue does not include: ***(a)*** the exchange of merchandise between NAIL GARDEN Salons (if you operate multiple Salons) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Salon premises; ***(b)*** returns to shippers, vendors, or manufacturers; ***(c)*** sales of fixtures or furniture after being used in the conduct of the Franchised Business; ***(d)*** cash or credit refunds for transactions included within Gross Revenue (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); or ***(e)*** the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both ***(i)*** added to the selling price or absorbed therein and ***(ii)*** paid to the taxing authority by you. Customer refunds may be deducted from Gross Revenue if the charge was previously included in Gross Revenue.

"**Head Technician**" means an individual who Franchisee has designated, and Franchisor has approved, who has full control over the day-to-day management and operations of the Salon, who has completed all training that Franchisor requires for the Head Technician to Franchisor's satisfaction, and who devotes his or her full-time best efforts to Salon management and operations.

"**Manager**" means an individual who Franchisee has designated, and Franchisor has approved, who has full control over the day-to-day management and operations of the Salon, who has completed all training that Franchisor requires for the Manager, to Franchisor's satisfaction, and who devotes his or her full time best efforts to Salon management and operations.

"**Manuals**" means the compilation of information and knowledge that is necessary and material to the System. The term Manual, as used in this Agreement, includes all publications, materials, drawings, memoranda, videotapes, CDs, DVDs, MP3s, and other electronic media that Franchisor from time to time may loan to you. The Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, videotape, CD, DVD, MP3, or other communications concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a NAIL GARDEN Salon.

"**Marks**" means certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "NAIL GARDEN" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System.

"**Owner**" means each individual or entity holding a beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any "Owner" is, itself, a partnership or other entity, then the term "Owner" includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term "Owner" is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

"Private Label Products" means products that are produced or manufactured in accordance with Franchisor's proprietary specifications and/or formulas or which Franchisor designates as "Private Label Products."

"Proprietary Products" means the distinguishing characteristics of the System including, without limitation, private label nail care and skin care products which incorporate Franchisor's trade secrets and proprietary information.

"**Salon**" means the physical structure at the Approved Location, identified by the name NAIL GARDEN, and separated from other businesses by one or more exterior walls or interior demising walls.

"**You**" means the franchisee identified above and its successors and assigns.

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT B
THE FRANCHISED LOCATION, PROTECTED REA AND OPENING DATE

Section 1.1.2. The Franchised Location is at: _____

Section 1.2. The Protected Area is: _____

_____

If the Protected Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Protected Area shall extend to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.

Section 3.5.1. The Opening Date is: _____

IN WITNESS WHEREOF, the parties have executed this Attachment B on _____.

FRANCHISOR: **TRINITY PEACE, LLC**	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT C
ENTITY INFORMATION

If the franchisee is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____, 20___.

(1) Franchisee is a _____, formed under the laws of the State of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the franchisee's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The address where the Franchisee's financial records, and other records (e.g., Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is: _____.

FRANCHISOR:
TRINITY PEACE, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:
_____

By: _____

Name: _____

Title: _____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT D-1
GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Franchise Agreement between Trinity Peace, LLC (the "**Franchisor**") and _____ (the "**Franchisee**").

2. I own a beneficial interest in the Franchisee and would be considered an "**Owner**" within the definition contained in the Franchise Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking (the "**Guaranty**"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with of the provisions contained in Article 7 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks and Copyrighted Works (as each term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks or Copyrighted Works and I have no ownership interest in the Marks or Copyrighted Works.

5. I will comply with all of the provisions contained in Article 8 of the Franchise Agreement concerning the use of the Confidential Manuals and Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need to know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

6. I will comply with all of the provisions contained in Article 12 of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee.

7. While I am an Owner of the Franchisee and, for a two-year period after I cease to be an Owner (or two years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of NAIL GARDEN Salon to any competitor or do anything to harm the goodwill associated with the Marks and the System;

(b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any nail care services business other than a NAIL GARDEN Salon operated pursuant to a then-currently effective NAIL GARDEN franchise agreement. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any location that ***(i)*** is, or is intended to be, located at the location of the former Franchised Business; or ***(ii)*** within a 10-mile radius of the Franchised Location or any other Salon operating under the System and Marks in existence or under development at the time I cease being an Owner (or termination or expiration of the Franchise Agreement, whichever occurs first). This time period will be tolled during any period of my noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of

such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guaranty.

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

10. I agree that the provisions contained in Article 19 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

12. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. I hereby waive ***(a)*** all rights described in California Civil Code Section 2856(a)(1)-(2), inclusive, which includes, without limitation, any rights and defenses which are or may become available to the undersigned by reason of California Civil Code Sections 2787 to 2855, inclusive; and ***(b)*** California Civil Code Sections 2899 and 3433.

15. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

16. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

17. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Intending to be legally bound, I have executed this Personal Guaranty and Undertaking on the date set forth below:

GUARANTOR

Dated: _____

_____

Name: _____

Address: _____

_____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT D-2
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees of Franchisee)

In accordance with the terms of this Confidentiality and Non-Competition Agreement ("**Confidentiality Agreement**") and in consideration of my being a _____ of _____ (the "**Franchisee**"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____ doing business as _____ (the "**Franchisee**"), has acquired the right and franchise from Trinity Peace, LLC ("**Franchisor**") to establish and operate a salon under the trade name and service mark "NAIL GARDEN" (the "**Franchised Business**") and the right to use in the operation of the Franchised Business Franchisor's trade names, trademarks, service marks, including the service mark NAIL GARDEN (the "**Marks**") and the system developed by Franchisor and/or its affiliates for operation and management of Franchised Businesses (the "**System**"), as they may be changed, improved, and further developed from time to time in Franchisor's sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Manuals, trade secrets, and copyrighted materials, methods, and other techniques and know-how (the "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. As _____ of the Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor's operations manual (the "**Manual**") and other general assistance during the term of this Confidentiality Agreement.

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

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for a two (2) year period thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any nail care services business within a radius of ten miles of any NAIL GARDEN Salon, as that term is defined in the Franchise Agreement. This restriction does not apply to my ownership of less than five percent beneficial interest in

the outstanding securities of any publicly-held corporation. This time period will be tolled during any period of my noncompliance.

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

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

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

11. This Confidentiality Agreement shall be construed under the laws of the state in which the Salon is located. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts and federal courts located in the district closest to the Franchised Business. I acknowledge that this Confidentiality Agreement has been entered into in which the Franchised Business operates. I hereby irrevocably consent to the personal jurisdiction of the state and federal courts the state in the district closest to the Franchised Business as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

[EMPLOYEE]	**ACKNOWLEDGED BY FRANCHISEE**
Signature:_____	By:_____
Name:_____	Name:_____
Address:_____	Title:_____
Title:_____	
Date:_____	Date:_____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT E
ACH AUTHORIZATION
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Please complete and sign this form.

FRANCHISEE INFORMATION

Franchisee Name or Legal Entity

_____

NAIL GARDEN Salon Number & Location

_____

Name and Email of Person to Receive ACH Debit Advice

_____

AUTHORIZATION AGREEMENT

I (we) hereby authorize Trinity Peace, LLC **("Company")** to make ACH withdrawals from my (our) account at the financial institution named below. I also authorize the Company to initiate direct deposits into this account in the event that a debit entry is made in error. I (we) acknowledge that the origination of ACH transactions to or from my (our) account must comply with the provisions of U.S. law.

I agree to indemnify the Company for any loss arising in the event that any withdrawals from my (our) account shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

This agreement will remain in effect until the Company has received advanced written notice of cancellation from me (us) in such time and in such manner as to afford the Company a reasonable opportunity to act on it, and in no event shall such notice period be less than 30 days.

PAYOR/FRANCHISEE ACCOUNT INFORMATION

Name of Financial Institution:

ABA Routing Number:

	Checking	Savings
Account Number:	☐	☐

PAYOR/FRANCHISEE SIGNATURE

Authorized Signature (Primary): Date:

Authorized Signature (Joint): Date:

Account holder(s), please sign here: ***(Joint accounts require the signature of all persons having authority over the account)***

Please attach a voided check at right, fax and mail to:

Trinity Peace, LLC, Attn: President
19360 Rinaldi Street, Suite 521
Porter Ranch, California 91326

ATTACH CHECK HERE

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT F
LEASE ADDENDUM

THIS LEASE ADDENDUM (the " **Lease Addendum**") is made and entered into as of the ___ day of _____, 20__, by and between _____ ("**Landlord**"), with its principal offices at _____ and _____ _____ ("**Franchisee**" or "**Tenant**"), with its principal offices at _____ _____, and Trinity Peace, LLC ("**Franchisor**").

BACKGROUND

A. Trinity Peace, LLC or its affiliates, and their successors or assigns ("**Franchisor**") franchises the operation of an upscale Salon offering nail care services and related services ("**NAIL GARDEN Salon**" or "**Salon**") under the name NAIL GARDEN and/or other trademarks, service marks, logos, and other indicia of origin prescribed by Franchisor (collectively, the "**Marks**").

B. Franchisee has acquired the right and has undertaken the obligation to develop and operate a NAIL GARDEN Salon pursuant to the terms and conditions of a certain franchise agreement between Franchisee and Franchisor ("**Franchise Agreement**").

C. Under the terms and conditions of the Franchise Agreement, Franchisor has the right to approve the site for the Salon; and if the Salon premises will be occupied pursuant to a commercial lease, Franchisor has prescribed certain lease terms and has the right to condition its approval of a proposed site on inclusion of the prescribed lease terms.

D. Franchisee desires, and has requested Franchisor's approval, to develop and operate one NAIL GARDEN Salon at the premises ("**Premises**") identified in the attached lease ("**Lease**").

E. Landlord desires to lease to Franchisee the Premises for purposes of developing and operating one NAIL GARDEN Salon.

AGREEMENT

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

(1) During the term of the Franchise Agreement, the Premises will be used only for the operation of a NAIL GARDEN Salon.

(2) Landlord consents to Franchisee's use of such Marks and signs, interior and exterior décor, furnishings, fixtures, items, color schemes, plans, specifications, and related components of NAIL GARDEN System (as defined in the Franchise Agreement and as Franchisor may prescribe for the Salon).

(3) Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Franchisee.

(4) Franchisor will have the right to enter onto the Salon premises at any time, to make any modification or alteration necessary to protect the NAIL GARDEN franchise system and the goodwill symbolized by the Marks and/or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort, and the Landlord will not be responsible for any expense or damages arising from Franchisor's action in connection therewith.

(5) In the event of Franchisee's default under the terms of the Lease, Landlord shall promptly deliver notice of such default to Franchisor and shall offer Franchisor the opportunity to cure the default and to assume the Lease in Franchisor's name. If Franchisor elects to cure the default and assume the Lease, Franchisor, within 30 days of its receipt of notice from Landlord, shall notify Landlord of its intent to cure such default and to assume the Lease. If Franchisor elects to cure the default, it shall cure the default within 30 days of such election or, if the default cannot be reasonably cured within such 30 day period, then Franchisor will commence and proceed to cure the default within such time as is reasonably necessary to cure the default. If Franchisor elects to assume the Lease, Landlord agrees to recognize Franchisor as the tenant under the Lease and Franchisee will no longer have any rights there under.

(6) Franchisee will be permitted to assign the Lease to Franchisor or its affiliates upon the expiration (without renewal) or earlier termination of the Franchise Agreement and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment, or require Franchisor to pay any past due rent or other financial obligation of Franchisee to Landlord, it being understood that Landlord will look solely to the Franchisee for any rents or other financial obligations owed to Landlord prior to such assignment. Landlord and Franchisee acknowledge that Franchisor is not a party to the Lease and will have no liability under the Lease, unless and until the Lease is assigned to, or assumed by, Franchisor.

(7) Except for Franchisee's obligations to Landlord for rents and other financial obligations accrued prior to the assignment of the Lease, in the event of such assignment, Franchisor or any affiliate designated by Franchisor will agree to assume from the date of assignment all obligations of Franchisee remaining under the Lease, and in such event Franchisor or any affiliate will assume Franchisee's occupancy rights, and the right to sublease the Premises, for the remainder of the term of the Lease. In the event of such assignment, neither Franchisor nor any affiliate will be required to pay to Landlord any security deposit.

(8) Notwithstanding anything contained in this Lease, Franchisor is expressly authorized, without the consent of the Landlord, to assign the Lease, or to sublet all or a portion of Premises, to an authorized franchisee. If Franchisor elects to assign the Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall be released of all obligations to Landlord under the Lease as of the date of assignment. If Franchisor elects to sublet the premises, such subletting shall be subject to the terms of this Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall remain liable for the performance of the terms of this Lease. Franchisor shall notify Landlord as to the name of the subtenant/franchisee within 10 days after such assignment or subletting, as applicable.

(9) Franchisee will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

(10) Neither Landlord nor Franchisee shall amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(11) All notices hereunder shall be by certified mail to the addresses set forth above or to such other addresses as the parties hereto may, by written notice, designate. Notices required to be given to Franchisor shall be delivered to the following address: 19360 Rinaldi Street, Suite 521, Porter Ranch, California 91326.

(12) This Lease Addendum shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

(13) The terms of this Lease Addendum will supersede any conflicting terms of the Lease.

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

Landlord:

_____

By: _____
Name: _____
Title: _____

Franchisee:

_____

By: _____
Name: _____
Title: _____

Franchisor:
TRINITY PEACE, LLC

By: _____
Name: _____
Title: _____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT G
TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER ASSIGNMENT AGREEMENT is made as of this _____ day of _____, 20____, ("Assignment") by and between _____ _____ (hereinafter the "**Assignor**") and Trinity Peace, LLC (hereinafter the "**Assignee**").

WITNESSETH:

WHEREAS, the Assignee has developed and owns the proprietary system ("**System**") for the operation of an upscale Salon offering nail care services under the trade name and service mark NAIL GARDEN (the "**Franchised Business**");

WHEREAS, the Assignor has been granted a license to operate a Franchised Business pursuant to a Franchise Agreement dated _____, 20____, in accordance with the System ("**Franchise Agreement**");

WHEREAS, in order to operate its Franchised Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

WHEREAS, as a condition to the execution of the Franchise Agreement, the Assignee has required that the Assignor assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Assignee in the event of the expiration or termination of the Franchise Agreement;

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

1. Assignment. In the event of termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers and conveys to the Assignee all of its rights, title and interest in and to certain telephone numbers, telephone listings and telephone directory advertisements pursuant to which Assignor shall operate its Franchised Business in accordance with the terms of the Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the Franchise Agreement expires or is terminated in accordance with the provisions thereof.

2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants and covenants to the Assignee that:

(a) As of the effective date of the Assignment, all of the Assignor's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services shall be paid and current;

(b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which the Assignor is a party or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) The Assignor has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements (individually and collectively referred to as "**Listings**"), and the Assignor has obtained all necessary consents to this Assignment.

(f) Notwithstanding the foregoing, Assignor hereby warrants and represents to Assignee that Assignor will within one (1) business day following Assignor's receipt of Assignee's request to acquire the Listings to immediately instruct each of Assignor's providers to initiate the process and provide the vendors' documents necessary to complete the assignment. Assignee further warrants and represents that Assignee will take no action to impede or prohibit the successful assignment of the Listings to Assignor, and that Assignor shall fully cooperate with Assignee with regard to the assignment; specifically, in the execution of any documentation required by Assignor's provider(s) to effectuate the assignment of the telephone numbers and Listings.

3. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of California. All agreements, covenants, representations and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the day and year first written above.

ASSIGNEE:

TRINITY PEACE, LLC

By: _____

Name: _____

Title: _____

ASSIGNOR:

_____

By: _____

Name: _____

Title: _____

TRINITY PEACE, LLC
FRANCHISE AGREEMENT

ATTACHMENT H
FRANCHISEE QUESTIONNAIRE

As you know, Trinity Peace, LLC and you are preparing to enter into a Franchise Agreement for the operation of one NAIL GARDEN Salon franchise. The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and each attachment, exhibit or schedule attached to it?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

Yes____ No ____ 5. A) Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer?

Yes____ No ____ B) Have you discussed the benefits and risks of operating NAIL GARDEN Salon franchise with your professional advisor?

Yes____ No ____ C) Did you discuss the benefits and risks of operating NAIL GARDEN Salon franchise with an existing NAIL GARDEN Salon franchisee?

Yes____ No ____ 6. Do you understand the risks of operating NAIL GARDEN Salon franchise?

Yes____ No ____ 7. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 8. A) Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be brought in the judicial district in which our principal place of business is located, if not resolved informally?

Yes____ No ____ B) Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary or multiple

damages?

Yes____ No ____ 9. Do you understand that your Manager and Head Technician must successfully complete our initial training program?

Yes____ No ____ 10. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes____ No ____ 11. A) Do you understand that the US Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?

Yes____ No ____ B) Have you ever been a suspected terrorist or associated directly or indirectly with terrorist activities?

Yes____ No ____ C) Do you understand that we will not approve your purchase of NAIL GARDEN Salon franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?

Yes____ No ____ D) Is it true that you are not purchasing NAIL GARDEN Salon franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?

Yes____ No ____ 12. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating NAIL GARDEN Salon franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 13. Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue NAIL GARDEN Salon franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 14. Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in our Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 15. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for NAIL GARDEN Salon, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?

You understand that Franchisor is acting in reliance on the truthfulness and completeness of your responses to the questions above in entering into the Agreements with Franchisee. YOU ACKNOWLEDGE AND AGREE THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION, AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGEMENT.

FRANCHISEE

By:_____

Name:_____

Title:_____

Date:_____

By:_____

Name:_____

Title:_____

Date:_____

EXHIBIT B

To TRINITY PEACE, LLC

FRANCHISE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

TRINITY PEACE, LLC

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT
SUMMARY PAGES

EFFECTIVE DATE:	_____
DEVELOPER:	_____
ADDRESS FOR NOTICES:	_____
	_____
TELEPHONE NUMBER:	_____
FACSIMILE NUMBER:	_____
E-MAIL ADDRESS:	_____
DEVELOPMENT FEE:	$ _____
NUMBER OF SALONS TO BE DEVELOPED	_____
INITIAL FRANCHISE FEE FOR THE FIRST SALON TO BE DEVELOPED	$30,000 (paid as a development fee credit)
INITIAL FRANCHISE FEE FOR THE SECOND AND EACH ADDITIONAL SALON TO BE DEVELOPED	$22,500 ($11,250 paid as a development fee credit; $11,250 balance payable in cash no later than the respective Franchise Agreement Execution Date stated in Attachment B)
TRANSFER FEE:	$15,000, plus reimbursements of Franchisor's costs in facilitating the transfer (including reasonable attorneys' fees) (Transfer of Agreement, and/or Controlling Interest, refer to Section 8.4.6.)
FRANCHISOR ADDRESS FOR NOTICES:	Trinity Peace, LLC 19360 Rinaldi Street Suite 521 Porter Ranch, California 91326 Attention: President

_____ _____
Franchisor Initial Developer Initial

AREA DEVELOPMENT AGREEMENT
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ATTACHMENTS:

Attachment A	Glossary of Additional Terms
Attachment B	Development Area and Development Schedule
Attachment C	Entity Information
Attachment D	Guaranty and Personal Undertaking
Attachment E	Form of Franchise Agreement

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages ("**Effective Date**"), by and between Trinity Peace, LLC, a California limited liability company, ("**Franchisor**"), and the franchisee identified in the Summary Pages (referred to in this Agreement as "**you**" or "**Franchisee**").

A. Franchisor has acquired the license to use and to sublicense the use of a proprietary system for the operation of an upscale Salon ("**Salon**") featuring a relaxing, spa-like environment and offering a wide range of manicure, pedicure, waxing, and other beauty services, that may include eyelash extensions, facials, tanning, microblading, and microdermabrasion (the "**System**").

B. The distinguishing characteristics of the System include, without limitation, private label nail care and skin care products which incorporate Franchisor's trade secrets and proprietary information (the "**Private Label Products**"); distinctive exterior and interior design, decor, color scheme, fixtures, and furnishings; standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**NAIL GARDEN**" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Marks**").

D. Franchisor desires to expand and develop the Salons in the Development Area, and you wish to develop NAIL GARDEN Salons and operate Franchised Businesses in the Development Area, upon the terms and conditions as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1 Grant of Area Development Rights. Franchisor hereby grants to you, and you hereby accept, the right and obligation to develop in the Development Area the number of NAIL GARDEN Salons set forth in the Development Schedule (also identified in Attachment B) and, in connection with each Salon, to operate a Franchised Business pursuant to a separate Franchise Agreement to be entered into between you and Franchisor in accordance with Section 4.1. This Agreement grants you no right or license to use any of the Marks; your right to operate each Franchised Business and your license to use the Marks derives solely from the Franchise Agreements that you will enter into under this Agreement. The development rights granted under this Agreement belong solely to you; you may not share them, divide them, sub-franchise or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Area Development Protection.

1.2.1. This Agreement grants you development rights within the "Development Area" identified in Attachment B. During the term of this Agreement, Franchisor will not own or operate, or grant anyone else the right to own or operate a NAIL GARDEN Salon in the Development Area.

1.2.2. Except for the restrictions described in Section 1.2.1., there is no restriction on Franchisor's right to use and to license the use of the Marks. Franchisor may own and operate and grant others the right to operate NAIL GARDEN Salons and Franchised Businesses and may sell and license others the right to sell other products identified by the Marks anywhere outside the Development Area, regardless of proximity to the Development Area. You acknowledge and agree that Franchisor's technicians and technicians

employed by or affiliated with other franchisees may perform skin and nail care services anywhere, at a customer's request, including inside the Development Area. Neither Franchisor nor any franchisee is required to compensate you on account of services performed in your Development Area.

1.2.3. Nothing in this Agreement prohibits or restricts Franchisor from ***(a)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than NAIL GARDEN), whether or not the business is the same as or competitive with NAIL GARDEN Salons; or ***(b)*** owning, operating, or franchising businesses that provide services other than nail care services under a derivative of the NAIL GARDEN brand.

2. TERM OF AREA DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term (the "**Term**") of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated or extended as provided in this Agreement, expires on the earlier of: ***(a)*** the date on which you have completed your development obligations under this Agreement, or ***(b)*** 12:00 midnight CST on the last day of the last Development Period identified in Attachment B.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends, and you shall have no further right to develop any NAIL GARDEN Salons for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement will not affect any rights or obligations under any then-existing Franchise Agreement.

3. FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth in the Summary Pages (the "**Development Fee**"). When each Franchise Agreement is signed, Franchisor will credit a portion of the Development Fee payment ("**Development Credit**") toward satisfaction of the applicable Initial Franchise Fee due there under. Development Credits shall be calculated on the same basis as the Development Fee and shall be applied to Initial Franchise Fees only to the extent that the Development Fee has been paid. The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements.

4.1.1. The Franchise Agreement for the first Salon to be developed under this Agreement is the form attached as Attachment E.

4.1.2. The Franchise Agreement for the second and each additional Salon to be developed will be in the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of Attachment E; provided that the Initial Franchise Fee will be the amount reflected in the Summary Pages.

4.2. Development Schedule. Recognizing that time is of the essence, you agree to satisfy the Development Schedule set forth in Attachment B. Your failure to meet the Development Schedule is a default under this Agreement, as provided in Section 9.2. You may not develop more than the total number of NAIL GARDEN Salons reflected on the Development Schedule.

4.3. Manner for Exercising Development Rights.

4.3.1. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate a Franchised Business. If Franchisor, in its sole discretion, determines that you

have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise:

(a) Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you and your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. You are conducting the operation of your existing Franchised Businesses, if any, and are capable of conducting the operation of the proposed Franchised Business in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: You and the Owners satisfy Franchisor's then-current financial criteria for developers and Owners of NAIL GARDEN Franchised Businesses. You and the Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. You are not in default and have not been in default during the rolling 12 months preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of a Franchised Business and that such failure would adversely affect the reputation and good name of NAIL GARDEN and the System.

(c) Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement.

4.4. Development Schedule.

4.4.1. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3., and the Development Schedule reflected in Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, during a Development Period, enter into Franchise Agreements and develop Salons for more than the minimum number of Franchised Businesses required to be developed during the Development Period, in which case the additional development will be applied to the next Development Period, if any. Notwithstanding the above, you shall not open or operate more than the cumulative total number of Salons you are obligated to develop under the Development Schedule.

4.4.2. If during the term of this Agreement, you cease to operate any Franchised Business developed hereunder for any reason, you shall develop a replacement Franchised Business within a reasonable time (not to exceed 120 days) after you cease operating the former Franchised Business. If, during the term of this Agreement, you transfer your interest in a Franchised Business in accordance with the terms of the applicable Franchise Agreement, the transferred Franchised Business will still count toward satisfaction of the Development Schedule so long as it continues to operate as a NAIL GARDEN Franchised Business. If the transferred Franchised Business ceases to operate as a NAIL GARDEN Franchised Business during the term of this Agreement, you shall develop a replacement Franchised Business within a reasonable time (not to exceed 120 days) thereafter.

4.4.3. Your failure to adhere to enter into Franchise Agreements and develop Salons according to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) is a material breach of this Agreement.

4.4.4. You acknowledge and agree that you have conducted an independent investigation of the business contemplated under this Agreement, that you fully understand your obligations under this Agreement, and that you recognize and assume all associated risks. In addition, you acknowledge that Franchisor makes no representation: ***(a)*** that your Development Area contains a sufficient number of acceptable locations to meet the number of Salons to be developed under the Development Schedule; or ***(b)*** that your Development Area is sufficient to economically support the number of Salons to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due

diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable locations within the Development Area and the economic risk of developing the number of Salons set forth hereunder.

4.5. Projected Opening Dates. You acknowledge that the Projected Opening Date for each Salon to be developed hereunder is reasonable. Subject to your compliance with Section 4.3., hereof, you must execute a Franchise Agreement for each Salon on or before the applicable Execution Date identified in the Development Schedule, which date shall be no later than six months prior to the Projected Opening Date for the applicable Salon. No later than seven months prior to expiration of a Development Period expiration date, you shall request to sign a Franchise Agreement for each Salon to be developed during the Development Period. Upon receiving your request, Franchisor shall deliver to you its then-current form of Franchise Disclosure Document, and execution copies of its then-current form of franchise agreement. No later than the Franchise Agreement Execution Date (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement and payment of the Initial Franchise Fee (less any applicable development credit) due thereunder. Franchisor will approve and countersign the Franchise Agreement if: ***(a)*** you are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor shall have the right to require you to cure any deficiencies before it approves and countersigns the Franchise Agreement; ***(b)*** you have demonstrated to Franchisor, in Franchisor's discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement; and ***(c)*** you, your Owners, each of your Affiliates and their Owners who then has a then-currently effective Franchise Agreement or Area Development Agreement with Franchisor, has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of the NAIL GARDEN franchise opportunity.

5. DEVELOPER'S OBLIGATIONS

5.1. Satisfaction of Development Schedule. You shall execute a Franchise Agreement for each Salon contemplated under this Agreement in accordance with Section 4.1. and the Development Schedule and shall establish each Franchised Business and develop and operate each Salon in accordance with the terms and conditions of the respective Franchise Agreement.

5.2. Compliance with Laws. You shall fully comply with all federal, state and local laws, rules, and regulations when exercising your rights and fulfilling your obligations under this Agreement.

6. CONFIDENTIALITY

6.1 Nondisclosure of Confidential Information. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the development and operation of the Salons, and you shall divulge Confidential Information only to your employees, and only on a need to know basis. This obligation shall survive expiration or termination of this Agreement.

7. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

7.1 Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an

independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such. independent ownership.

7.2. Insurance Obligations.

7.2.1. You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies protecting you, Franchisor and its Affiliates, and their respective officers, shareholders, directors, members, managers, agents, and employees, against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the business contemplated under this Agreement.

7.2.2. Such policy or policies shall: ***(a)*** be written by insurer(s) licensed and admitted to write coverage in the state in which the Development Area is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; ***(b)*** name Franchisor and its Affiliates, and their respective officers, shareholders, directors, members, managers, agents, and employees on a primary non-contributory basis; ***(c)*** the additional insured coverage must be provided on an Additional Insured Grantor of Franchise Endorsement per form CG2029 (or an endorsement form with comparable wording acceptable to Franchisor); and ***(d)*** comply with Franchisor's written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage that Franchisor requires from time to time. Franchisor may unilaterally modify these insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change.

7.2.3. In connection with any and all insurance that you are required to maintain under Section 7.2., you and your insurers shall agree to waive their rights of subrogation against Franchisor, and you shall provide evidence of such waiver in accordance with this Section 7.2.

7.2.4. Your obligation to obtain and maintain insurance shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 7.3. of this Agreement.

7.2.5. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, although named as additional insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor, or its Affiliates, partners, shareholders, officers, directors, agents, or employees by reason of your negligence.

7.2.6. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor certificate of insurance evidencing your compliance with this Article 7. Each certificate of insurance shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

7.2.7. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee has the right and authority (but not the obligation) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium upon demand.

7.2.8. You acknowledge that the minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with the Salon. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires.

7.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor and its Affiliates and their respective officers, directors, members, manager, agents, and employees (collectively the "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof

which arises directly or indirectly from, as a result of, or in connection with your operation of the business contemplated under this Agreement (an "**event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 7.3., the term "**losses and expenses**" shall be deemed to include compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; and all other costs associated with any of the foregoing losses and expenses. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under this provision, and Franchisor's failure to seek such recovery or mitigate its loss will in no way reduce the amounts recoverable by Franchisor under this provision. You shall give Franchisor prompt notice of any event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the Indemnitees or the System. This provision survives termination or expiration of this Agreement.

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Marks (or any variation thereof), the Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof), the Copyrighted Works, Marks and System and/or the loss of association with or identification of Trinity Peace, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. You agree 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 as NAIL GARDEN Salons operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any NAIL GARDEN Salon developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if ***(a)*** the Business Entity is formed solely for purposes of continuing your development rights and obligations, and ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing

documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed. There is no fee for this type of assignment.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties as part of a private sale, if: ***(a)*** you have provided to Franchisor advance notice of the transfer; ***(b)*** Attachment C to this Agreement has been amended to reflect the new ownership; ***(c)*** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D; and ***(d)*** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires. There is no fee for this type of assignment, but you must reimburse Franchisor for any legal fees that it incurs in connection with the assignment. "Non-Controlling Interest" means a transfer of an Owner's interest in the Franchisee or a new issue of securities to a person who is not currently an Owner; provided that the transferee does not acquire voting control as a result of the transfer.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially of the assets of any Salon developed hereunder, and the sale of a Controlling Interest (meaning transfer of an interest other than a Non-Controlling Interest) in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery to Franchisor of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer.

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business;

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You or the transferee shall have agreed to refurbish each Salon premises identified by Franchisor so that it meets Franchisor's image requirements for new NAIL GARDEN Salons;

8.4.5. You and each Owner shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.6. You or the transferee shall have paid the transfer fee in the amount set forth in the Summary Pages (plus the reimbursement of our reasonable costs and expenses incurred in facilitating the transfer);

8.4.7. The transferee shall have executed Franchisor's then-current form of area development agreement, the terms of which may be materially different than the terms of this Agreement and may include, among other things, require a different development schedule. The term of such area development agreement shall be the remaining term of this Agreement at the time of transfer;

8.4.8. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Guaranty and Personal Undertaking; and

8.4.9. The transferee shall have complied with Franchisor's then-current initial training requirements for new franchisees; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

8.5. Transfers Void. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

8.6. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.7. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.8. Right of First Refusal. If you receive a bona fide offer to purchase your interest in this Agreement, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 8.8. shall not constitute a waiver of any of the transfer conditions set forth in this Article 8.

8.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of any person with an interest in this Agreement or you, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 8.9., the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and

conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.5. To prevent any interruption of business of the Franchised Business and any injury to the goodwill and reputation thereof which may be caused thereby Franchisor shall have the right, but not the obligation, to operate the Franchised Business until the interest is transferred to another party approved by Franchisor. If Franchisor undertakes to operate the Franchised Business, Franchisor shall have the right to collect and pay from the revenues of the Franchised Business all expenses relating to the operation of the Franchised Business including, without limitation, Royalty Fees and Brand Development Fund contributions, employee salaries, reimbursement of Franchisor's expenses incurred in connection with such operation, and a reasonable management fee. You shall indemnify and hold Franchisor harmless from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives in exercising its rights under this Section 8.9.

8.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed); if you are. dissolved; or if execution is levied against. your business or property.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** you fail to meet the Development Schedule; ***(b)*** you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(c)*** there is any transfer or attempted transfer in violation of Article 8; ***(d)*** you or any Owner fails to comply with the confidentiality or non-compete covenants in Article 6 and Article 10; ***(e)*** you or any Owner has made any material misrepresentations in connection with your application for franchise development rights; or ***(f)*** Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); or ***(d)*** failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations.

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 8.9. is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

9.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates (including any Franchise Agreement), which you fail to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

9.7. Additional Remedies. If you are in default of this Agreement, Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: ***(a)*** terminate or modify any territorial protections granted to you in each Franchise Agreement identified by Franchisor, ***(b)*** reduce the size of the Area development, or ***(c)*** reduce the number of Franchised Businesses that you may establish pursuant to the Development Schedule. If Franchisor elects to exercise one or more of the additional remedies set forth above, you agree to continue to develop Salons in accordance with your rights and obligations under this Agreement, as modified. To the extent such rights are modified pursuant to this Section 9.7., you acknowledge that Franchisor will be entitled to establish, and to license others to establish, NAIL GARDEN Franchised Businesses outside the modified Development Area, except as otherwise provided under any Franchise Agreement which is then in effect between Franchisor and you or your Affiliates. Franchisor's exercise of any of its remedies under this Section 9.7. shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

10. COVENANTS

10.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

10.1.1. Divert or attempt to divert any present or prospective customer of any NAIL GARDEN Salon 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 and the System.

10.1.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business at any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

10.2. Non-Competition After Expiration or Termination of Agreement. For an uninterrupted period of two years after this Agreement expires, is terminated, or is transferred pursuant to the transfer provisions of this Agreement, neither you nor any Owner shall directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

10.2.1. Divert or attempt to divert any present or prospective student of any NAIL GARDEN Salon 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 and the System.

10.2.2. Own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with a Competitive Business, and ***(a)*** that is within the former

Development Area; or ***(b)*** is within a 10-mile radius of any other NAIL GARDEN Salon operating under the System and Marks in existence or under development at the time of such termination or transfer.

If any Owner ceases to be an Owner of the franchisee for any reason during the term of this Agreement, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. The time period described in this Section 10.2. shall be tolled during any period of noncompliance.

10.3. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 10.1. and 10.2., or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified, which shall be fully enforceable. You and each Owner expressly agree that the existence of any claims you 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 Article 10. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 10.

10.4. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

10.5. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

11. REPRESENTATIONS

11.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power and have been duly authorized.

11.2. Representations of Developer.

11.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business; ***(d)*** that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to a NAIL GARDEN Salon; and ***(e)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized.

11.2.2. You acknowledge that you have conducted an independent investigation of the business contemplated under this Agreement and recognize that the business venture contemplated by this

Agreement involves business risks and that its success will be largely dependent on your ability as an independent business person.

11.2.3. Except for representations contained in Franchisor's Franchise Disclosure Document provided to you in conjunction with this franchise offering, you represent that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential Gross Tuition Revenue, expenses or profit of a NAIL GARDEN Franchised Business.

11.2.4. You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

11.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

11.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by or by facsimile or other electronic system. Service shall be deemed conclusively made ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by telecopier, if such transmission occurs prior to 5:00 p.m. on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the. addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

13. CONSTRUCTION

13.1. Entire Agreement. This Agreement and its Attachments represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that Franchisor made in the Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents

13.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

13.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

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

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the applicable Guaranty and Personal Undertaking.

13.7. Rules of Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

13.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

14. APPLICABLE LAW; DISPUTE RESOLUTION

14.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of California (without giving effect to any conflict of laws).

14.2. Mediation.

14.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, you, and each Owner agree to submit any claim, controversy or dispute between Franchisor or its Affiliates (and Franchisor's and its Affiliate's respective owners, officers, directors, agents, representatives and/or employees) and you or your Affiliates (and your Owners, agents, representatives and/or employees) arising out of or related to ***(a)*** this Agreement or any other agreement between Franchisor and you, ***(b)*** Franchisor's relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between Franchisor and you, to mediation before bringing such claim, controversy or dispute in a court or before any other tribunal.

14.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("**AAA**") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city where Franchisor maintains its principal business offices at the time mediation is initiated. The costs

and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

14.2.3. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 14.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

14.2.4. Notwithstanding the foregoing provisions of this Section 14.2., the parties' agreement to mediate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, Copyrighted Works or Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

14.3. Venue. With respect to any controversies, disputes or claims, as provided in Section 14.2., the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the state and federal judicial district courts located in the county where Franchisor maintains its principal business address at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

14.4. Contractual Limitations Period. No legal action or proceeding may be brought against Company or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

14.5. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

14.6. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

14.7. Right to Injunctive Relief. Nothing in this Agreement contained shall bar Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and you agree to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

14.8. Attorneys' Fees. If either party commences a legal action against the 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 of suit.

14.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

14.10. Non-exclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates noted below, but effective for all purposes as of the Effective Date.

TRINITY PEACE, LLC		**DEVELOPER**	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Competitive Business**" means any business providing nail care services other than another NAIL GARDEN Salon operated pursuant to a valid franchise agreement with Franchisor.

"**Confidential Information**" means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; Franchisor's standards and specifications for all services and products offered at NAIL GARDEN Salons; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, and all other information that Franchisor designates.

"**Copyrighted Works**" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor's product packaging, and advertising and promotional materials, and the content and design of Franchisor's Website and advertising and promotional materials.

"**Development Period**" means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate NAIL GARDEN Salons.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

"**Franchise Agreement**" means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Salon in the Area development, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"**Franchised Business**" means the same as defined in the Franchise Agreement.

"**Owner**" means each individual or entity holding a beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust. If any "Owner" is, itself, a partnership or other entity, then the term "Owner" includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term "Owner" is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT B
DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

The "**Development Area**" is defined as the territory within the boundaries described below. The description may consist of both a map and a written description, and in the event of any conflict between the two, the written description shall prevail.

_____

_____

If the Development Area is defined by streets, highways, freeways or other roadways, or rivers, streams, or tributaries, then the boundary of the Development Area extends to the center line of each such street, highway, freeway or other roadway, or river, stream, or tributary.
The "Development Schedule" is as follows:

	Development Period Ending	Franchise Agreement Execution Date	Opening Date	Number of Salons to be Opened During Development Period	Cumulative Number of Salons to be in Operation at End of Development Period
1					
2					
3					
4					

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B as of the dates shown below but effective for all purposes as of the Effective Date.

TRINITY PEACE, LLC

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER

By: _____

Name: _____

Title: _____

Date: _____

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT C
ENTITY INFORMATION

If the developer is a business entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

(1) Developer is a _____, formed under the laws of the state of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the Developer's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(5) The address where the Developer's Financial Records, and other records (e.g., Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is: _____.

TRINITY PEACE, LLC

By: _____

Name: _____

Title: _____

DEVELOPER

_____

By: _____

Name: _____

Title: _____

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT D
GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Area Development Agreement between Trinity Peace, LLC (the "**Franchisor**") and _____ (the "**Developer**").

2. I own a beneficial interest in the Developer and would be considered an "**Owner**" within the definition contained in Area Development Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking ("**Guaranty**"), Franchisor would not have agreed to enter into the Area Development Agreement with the Developer.

4. I will comply with all of the provisions contained in Article 6 of the Area Development Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Area Development Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Developer's employees on a need to know basis, ***(b)*** to the Developer's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

5. I will comply with all of the provisions contained in Article 8 of the Area Development Agreement concerning the assignment of my interests in the Developer.

6. While I am an "Owner" of the Developer and, for a two-year period after I cease to be an Owner (or two years after termination or expiration of the Area Development Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of any NAIL GARDEN Salon to any competitor or do anything to harm the goodwill associated with the Marks and the System;

(b) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any nail care services business other than a NAIL GARDEN business operated pursuant to a then-currently effective franchise agreement. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Area Development Agreement, whichever occurs first) to any location that is, or is intended to be, located in the Development Area identified in the Area Development Agreement. This time period will be tolled during any period of my noncompliance.

7. I agree that the provisions contained in Article 14 of the Area Development Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

8. I hereby guarantee the prompt and full payment of all amounts owed by the Developer under the Area Development Agreement.

9. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Developer has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Developer before seeking recovery from me under this Guaranty.

10. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

11. I hereby waive (a) all rights described in California Civil Code Section 2856(a)(1)-(2), inclusive, which includes, without limitation, any rights and defenses which are or may become available to the undersigned by reason of California Civil Code Sections 2787 to 2855, inclusive; and (b) California Civil Code Sections 2899 and 3433.

12. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE AREA DEVELOPMENT AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE AREA DEVELOPMENT AGREEMENT**.

13. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

14. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Executed on the date set forth below:

GUARANTOR

Dated: _____

_____

Name: _____

Address: _____

_____

Fax: _____

TRINITY PEACE, LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT E
FORM OF FRANCHISE AGREEMENT

(REFER TO EXHIBIT A OF THIS DISCLOSURE DOCUMENT)

EXHIBIT C
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE

(SAMPLE FORM ONLY)

GENERAL RELEASE

(SAMPLE FORM ONLY)

The undersigned and my heirs, administrators, executors, ancestors, and assigns, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge Trinity Peace, LLC ("**Franchisor**"), a California limited liability company, and its Affiliates, and their respective owners, officers, directors, employees, and agents (collectively, the "**Franchisor Released Parties**") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that I ever had, now have, or that my respective heirs, administrators, ancestors, executors, and/or assigns may have against the Franchisor Released Parties including, without limitation, all claims arising out of or related to that certain Franchise Agreement between Franchisor and _____ dated, _____, 20_____, and the offer and sale of NAIL GARDEN franchise opportunity.

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement. I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below.

Signature:_____

Name:_____

Date:_____

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

EXHIBIT D
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS
OF CONFIDENTIAL OPERATIONS MANUAL

Nail Garden

OPERATIONS MANUAL

Chapter 1	Introduction	14 pages
Chapter 2	Standards	16 pages
Chapter 3	Services	9 pages
Chapter 4	Guest Service System	22 pages
Chapter 5	Retail Sales	18 pages
Chapter 6	Management Duties	18 pages
Chapter 6a	POS Systems	17 pages
Chapter 7	Managing a Profitable Business	24 pages
Chapter 8	Quality Assurance	7 pages
Chapter 9	Purchasing	15 pages
Chapter 10	Marketing	30 pages
Chapter 11	Safety & Sanitation	30 pages
Chapter 12	Security	21 pages
Chapter 13	Legal Issues	17 pages
Chapter 14	National & Regional Programs	10 pages
TOTAL		268 pages

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EXHIBIT E
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

EXHIBIT F
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND AFFLIATE-OWNED LOCATIONS

LIST OF FRANCHISEES AS OF DECEMBER 31, 2020

Franchisee	Address	City	ST	Zip	Phone
Brea Nail Garden Sandy Youssef Lelian Sedehom	10405 Gianni Avenue 9523 Adoree Street	Downey	CA	90242	310-428-5250 562-305-6366
A.Maximous Corporation Medhat Maximous	2005 East Park Place #B2	El Segundo	CA	90245	805-368-5591
Daniel Ghobrial Justin Dockery Sally Dockery	138 North Brand Avenue	Glendale	CA	91203	416-491-0550
A Maximous Corporation Medhat Maximous	1559 Pacific Coast Hwy., Ste. 105	Hermosa Beach	CA	90254	818-481-1275
3JL, LLC Zaki Youssef, Manager	3201 S. Hoover Street Ste. 1830	Los Angeles	CA	90089	310-600-0559
RLM Orchid Group, Inc. Lefky Mansi Marian Mansi Renee Youman	6320 Topanga Canyon Blvd.	Woodland Hills	CA	91367	818-970-0652
Monica Viktoria	3500 Ranch Rd. 620 South Suite E-100	Bee Cave	TX	78738	512-330-4858

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT BUT OUTLET NOT OPEN AS OF DECEMBER 31, 2019

Franchisee	Address	City	ST	Zip	Phone
Rafik Looka	1400 N. Pacific Ave.	Glendale	CA	91202	747-215-6136
Lisa Burkhead	2121 West 70th Street	Los Angeles	CA	90047	310-498-1767
John Bradford La Fever	4335 Vineland Avenue, Suite 325	North Hollywood	CA	91602	818-714-9372

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2020

The following are franchisees who have been terminated, canceled, not renewed, or have otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the date of issuance of this disclosure document.

Franchisee	City	State	Email
Hellenic Concepts, LLC Ari Monosson, Manager (transferred salon to 3JL, LLC	Los Angeles	CA	amonosson@gmail.com

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

EXHIBIT G
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

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

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

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Consumer Protection Division
Antitrust and Franchise Unit
Department of Attorney General
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
PO Box 30212
Lansing, Michigan 48909
(517) 335-7622

Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

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

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

Rhode Island
Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

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

Washington
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507
(360) 902-8760

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-8557

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

State	Agent For Service Of Process
CALIFORNIA	~~California~~ Commissioner California Department of ~~Business Oversight~~Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 Fady Bastawros 19360 Rinaldi Street, Suite 521 Porter Ranch, CA 91326

EXHIBIT H
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending

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 I
TRINITY PEACE, LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Trinity Peace, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

If Trinity Peace, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit F to this disclosure document).

The franchisor is Trinity Peace, LLC, 17200 Ventura Blvd., Suite 303, Encino, California 91316. Its telephone number is (818) 439-3338.

Issuance Date: August 3, 2021

The franchise seller(s) for this offering is:

Name	Principal Business Address	Telephone Number
Fady Bastawros Reham W. Bastawros Matthew W. Awad Wagih S. Awad	10939 Ventura Blvd. Studio City, California 91604	818-439-3338

I received a disclosure document with an issuance date of August 3, 2021. State registration effective dates are listed on the State Effective Dates page contained in the disclosure document. The disclosure document included the following Exhibits:

State Specific Appendix
Exhibit A Franchise Agreement and Attachments
Exhibit B Area Development Agreement and Attachments
Exhibit C General Release (Sample Form Only)
Exhibit D Table of Contents of Confidential Operations Manual
Exhibit E Financial Statements
Exhibit F List of Franchisees and Affiliate-Owned Outlets
Exhibit G List of State Administrators and Agents for Service of Process
Exhibit H State Effective Dates Page
Exhibit I Receipts

Dated:_____

_____
Printed Name

_____
Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

Dated:_____

_____
Printed name

_____
Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

[KEEP THIS PAGE FOR YOUR RECORDS]

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Dated:_____

_____
Printed Name

_____
Signed individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

Dated:_____

_____
Printed name

_____
Signed, individually and as an officer of
_____(a Corporation)
_____(a Partnership)
_____(a Limited Liability Company)

[RETURN THIS PAGE TO TRINITY PEACE, LLC]