

FRANCHISE DISCLOSURE DOCUMENT



The franchisee will operate a customer-focused (canine and human), high-touch, service-based dog grooming spa under the “Onyva” mark (the “**Onyva Spa Business**” or “**Onyva Franchised Business**”).

The total initial investment necessary to begin operation of an Onyva Dog Spa franchise is \$410,925 to \$807,725. This includes \$59,500 that must be paid to us or an affiliate.

If you enter into a Multi-Unit Development Agreement to develop multiple franchised businesses, you will pay a development fee when you sign the Multi-Unit Development Agreement. You must commit to open a minimum of 2 franchised businesses. The total investment necessary to begin operations under a Onyva Multi-Unit Development Agreement for 2 franchised businesses, including the costs to build and equip the 1st franchised business, is \$456,425 to \$853,225 for a required minimum of 2 Onyva franchised businesses to be developed. This includes a development fee of \$105,000 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Merritt Mulman, CEO, Onyva Franchising, LLC, 153 Andover Street, Suite 203, Danvers, MA 02116, (617) 597-4959.

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

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

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

Issuance Date: April 29, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
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 Onyva business in my area/	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Onyva franchisee?	Item 20 or Exhibit D 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 franchised 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 C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Massachusetts. 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 franchisors in Massachusetts than in your own state.
2. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Financial Condition.** The franchisor's financial condition, as reflected in the its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. **Mandatory Minimum Payments.** You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

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

**ONYVA
FRANCHISE DISCLOSURE DOCUMENT**

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List of Exhibits

- Exhibit A- Franchise Agreement
- Exhibit B- Multi-Unit Development Agreement
- Exhibit C- Agencies/Agents for Service of Process
- Exhibit D- Franchised Outlets
- Exhibit E- Financial Statements
- Exhibit F- Table of Contents for Operations Manual
- Exhibit G- State-Addenda
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- Exhibit I- Franchisee Compliance Certification

State Effective Dates

Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Onyva Franchising, LLC is the franchisor. For ease of reference, we will refer to Onyva Franchising, LLC as “us”, “our” or “we.” We are a Massachusetts limited liability company and were formed in Massachusetts on October 14, 2022. Our principal business address is 153 Andover Street, Suite 203, Danvers, MA 01923. Our agents for service of process are listed in Exhibit C to this Disclosure Document.

We conduct our business under our entity name and the name “Onyva,” and “Onyva Franchising” and no others.

We began to offer franchises for Onyva Franchised Businesses (as defined below) in September 2023.

Other than the franchises being offered in this Disclosure Document, we do not and have not in the past offered franchises in this or any other line of business, and we are not involved in other business activities. We do not operate, and have not operated, a business of the type described in this Disclosure Document. However, as discussed below, our affiliate Mulman Dog Wash, LLC has operated an Onyva dog grooming spa business since March 2021.

Our Predecessors and Affiliates

We have no predecessors or parent companies.

Our affiliate, Mulman Dog Wash, LLC, a Massachusetts limited liability company, was formed on March 23, 2021. Mulman Dog Wash, LLC’s principal business address is 171 Newbury Street, Boston, MA 02116. We have not offered franchises in this business or in any other line of business. Mulman Dog Wash, LLC is an “affiliate owned” or “company owned” business.

The Franchise Offered

We and our affiliate have developed a system relating to the establishment and operation of (the “**System**”) a customer-focused (canine and human), high-touch, service-based dog grooming spa. We offer franchises for the operation of a dog grooming spa that operates under the System and the “Onyva” mark (the “**Onyva Spa Business(es)**” or “**Onyva Franchised Business(es)**”). As an Onyva Franchised Business you will provide dog grooming services that are based on the best practices for each individual dog breed. You will have exclusive access to “Onyva Solutions,” our proprietary technology and software – deployed throughout the spa - which enables our franchisees and their groomers to maximize the skin and coat health of the dog clients and operate in a manner which maximizes efficiency. Onyva Solutions enables the franchisee to manage all aspects of their business in a sustainable, paperless environment. Onyva Solutions serves as both a customer facing engagement tool and an internal management tool.

We continue to develop and modify the System. We may periodically change and improve the Onyva Franchised Businesses and System.

We use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark “ONYVA” in operating Onyva Franchised Businesses (the “**Marks**”). The Marks have gained and will continue to gain public acceptance and goodwill. We may create, use, and license other trademarks, service marks, and commercial symbols for Onyva Franchised Businesses. If we do, these other marks and symbols will become part of the “Marks.”

We are offering franchises to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate an Onyva Franchised Business using our System and Marks.

We will loan a franchisee a copy of our Operations Manual. The Operations Manual may include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or an internal extranet, and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating an Onyva Franchised Business. These are our **“System Standards.”** The Operations Manual also contains information on a franchisee’s other obligations under the Franchise Agreement (as defined below). We may modify the Operations Manual periodically to reflect changes in System Standards and other guidance and requirements regarding the operation and management of an Onyva Franchised Business.

We may offer you the opportunity to enter into a franchise agreement (**“Franchise Agreement”**) with us. We refer to the individuals, corporations, limited liability companies, or general or limited partnerships who will be the franchisee as **“you”** in this Disclosure Document. Under the Franchise Agreement we will grant you the right and license (the **“Franchise”**) to operate an Onyva Spa Business at a location identified in the Franchise Agreement (the **“Premises”**). The Premises will be in an area identified under the Franchise Agreement (the **“Territory”**). The Franchise Agreement will be for a term beginning on the Effective Date of the Franchise Agreement and expiring 10 years from the opening date of the Franchised Business or five (5) years from the opening date of the Franchised Business if you are buying an existing Onyva Spa Business (the **“Initial Term”**). You must operate the Onyva Franchised Business in the Territory. You must use the System in operating your Onyva Franchised Business. You must at all times perform your obligations under the Franchise Agreement faithfully, honestly, and diligently, and use your best efforts to promote the Onyva Franchised Business.

You must operate the Onyva Franchised Business from an approved location, and not from a residence. If you have not identified the Premises, and received our approval of the Premises before you sign the Franchise Agreement, the Premises will be identified as part of our site selection and approval process.

Except for limited situations and provided that you are in full compliance with this Agreement, we and our affiliates will not operate or grant a franchise for the operation of another Onyva Franchised Business at a location within the Territory during the term of the Franchise Agreement.

We also offer qualified individuals the right to open a minimum of 2 Onyva outlets in a designated area under the terms of a multi-unit development agreement. You must sign the then-current form of franchise agreement for each Franchised Business to be developed under the multi-unit development agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Management of a Onyva Franchised Business

You, as the franchisee, may be an individual, sole proprietor owner, or you may be an entity. If you are an entity, you must appoint an Operating Principal. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for you and your entity. You, or your Operating Principal, will manage and provide general oversight of the Onyva Franchised Business.

Industry-Specific Regulations

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Onyva Franchised Business. Some states and municipalities may require licensing for the individuals

providing the actual grooming services. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities, and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of an Onyva Franchised Business. In addition, you must operate the Onyva Franchised Business in full compliance with all applicable federal, state and local laws, rules, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, EEOC, OSHA, discrimination, employment, sexual harassment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You alone are responsible for investigating, understanding and complying with all applicable laws, rules, regulations, ordinances and requirements applicable to you and your Onyva Franchised Business, despite any advice or information that we may give you. You should consult with your legal advisor about whether these and/or other requirements apply or may affect the operation of your Onyva Franchised Business.

Market and Competition

The primary market for the products and services offered by an Onyva Franchised Business is the general public. The products and services offered by Onyva Franchised Businesses are not seasonal. The pet grooming market is well-developed and highly competitive and includes retail units and mobile businesses selling various types of products and services. You may have to compete with various other independent and chain-affiliated businesses, some of which may be franchised. Many pet grooming businesses systems have already established national and international brand recognition.

ITEM 2 **BUSINESS EXPERIENCE**

Professional Management Team

Chief Executive Officer and Member of the Board of Managers: **Merritt A. Mulman**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	CEO, Member of the Board	Danvers, MA
Mulman Dog Wash, LLC	03/2024 to present	CEO, Manager	Boston, MA
New England Care, LLC	2008 to 2021	Manager	Danvers, MA

Chief Brand Officer: **Dr. Lisa N. Mulman**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	Chief Brand Officer	Danvers, MA
Mulman Dog Wash, LLC	03/2024 to present	CEO, Manager	Boston, MA
Salem State University	2003 to 2021	Faculty, Literature Dept.	Salem, MA

President:**Miles S. Mulman**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	President	Danvers, MA
Mulman Dog Wash, LLC	03/2024 to present	Member	Boston, MA
Mulman Health Services, Inc	2020 to present	CEO	Danvers, MA
New England Care, LLC	07/2017 - 01/2020	Regional Director	Danvers, MA

Vice President for Franchise Development**Lohith Chundi**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Rovi Home	03/2023 - 02/2025	Realtor	Agawam, MA
General Dynamics	06/2023 - 08/2025	Intern	Dedham, MA
Staples	06/2022 - 08/2022	Intern	Framingham, MA

Director of Hospitality and Community**Steven Schnelwar**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2024 to present	Director of Hospitality and Community	Boston, MA
Mullman Dog Wash, LLC (dba Onyva)	07/2024 to 10/2024	Front of House Associate	Boston, MA
Hands Please Hospitality	02/2021 to 07/2024	Owner & Principal	Somerville, MA
Fool's Errand	05/2019 to 10/2019	Bar Manager	Boston, MA
GrandTen Distilling	04/2016 to 05/2019	Bar Manager & Events Coordinator	Boston, MA

Advisory Board**Senior Franchising Advisor:****Peter Ross**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	Senior Franchising Advisor	Danvers, MA
Senior Helpers Franchising	2004 to present	CEO/Co-Founder	Towson, MD
Town Square Franchising, LLC	2019 to present	CEO/Founder	Towson, MD

Senior Brand and Marketing Advisor:**Karen Schnelwar**

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	Senior Brand and Marketing Advisor	Danvers, MA
Self-Employed	2022 to present	Independent Brand Consultant	New York, NY
Dia & Co	2021 to 2022	Head of Brand and Design	New York, NY
OXO	2017 to 2021	VP, Global Brand Strategy and Marketing	New York, NY

Senior Technology Advisor:

Mike Sperling

<i>Employer</i>	<i>Start Date - End Date</i>	<i>Titles</i>	<i>City, State</i>
Onyva Franchising, LLC	10/2022 to present	Senior Technology Advisor	Danvers, MA
Sperling Interactive	08/2008 to present	CEO and Owner	Salem, MA

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is \$59,500. This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement and is not refundable under any circumstance.

During our fiscal year ended December 31, 2024, we did not waive any initial franchise fees. We discounted one franchise fee by 10%. No other franchise fees were discounted 2024.

Multi-Unit Development Agreement

If you purchase more than one unit at the same time, we and you will negotiate a reasonably acceptable development schedule. You will pay us a non-refundable development fee, as outlined above (“Development Fee”) in a lump sum when you sign the Multi-Unit Development Agreement.

Number of Units Developed	Development Fee due on signing the Multi-Unit Development Agreement
2 Units	\$105,000
3 Units	\$145,000
4 Units	\$180,000

The Development Fee is fully earned by us and due in lump sum when you sign the Multi-Unit Development Agreement. The Development Fee is not refundable under any circumstance.

Active-duty military and honorably discharged veterans of the United States armed forces receive a 10% discount on our Initial Franchise Fee for a single unit franchise. We also offer a ten percent (10%) discount off of the Initial Franchise Fee for a single unit franchise to first responders such as police officers, EMTs, paramedics, and firefighters. Additionally, we offer a ten percent (10%) discount off of the Initial Franchise Fee for a single unit franchise to minority individuals who qualify. To qualify, the franchisee must be at least 51% owned by a minority member or group of members who are African American, Hispanic, Native American, or Asian. The veteran, first responders, and minority individual discounts shall not be combinable.

ITEM 6 **OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6.25% of Gross Revenue	On the Wednesday immediately following the previous week period of Sunday through Saturday.	The Royalty is payable to us by an automatic, electronic debit of funds. We reserve the right to increase the Royalty Fee, in our sole discretion, to a maximum amount of 7.5% of Gross Revenue. We will provide you with 30 days' written notice before increasing the Royalty Fee. See Note 1 and 2.
Brand Fund Contribution	Currently 1.75% of Gross Revenue	Payable in the same manner as the Royalty Fee.	The Brand Fund contribution is payable to us by an automatic, electronic debit of funds. We reserve the right to increase the Brand Fund contribution, in our sole discretion, to a maximum amount of 3% of Gross Revenue. We will provide you with 30 days' written notice before increasing the Brand Fund contribution. See Note 3.
Local Advertising Requirement	\$2000 per month for the first six months of operation. \$1000 per month thereafter.	As incurred	You pay this directly to third-party advertising providers. If you fail to meet your minimum advertising requirements during any rolling three-month period, we may require you to pay the difference between the amount you spent and the required amount to us, which will be contributed to the Brand Fund. We may require your monthly minimum advertising expenditure to be used in cooperative advertising, if established. Our franchisor-owned outlets will not have controlling voting power on any fees imposed by the cooperatives.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Pre-Opening - \$350 per month beginning upon the signing of the Franchise Agreement. \$675 per month – Beginning one month prior to the Grand Opening of your Onyva Spa Business.	The first Wednesday of each month.	You must pay us a Technology Fee in exchange for access to Onyva Solutions and certain other technologies, tools, and support we make available to you (“Technology Fee”). Included in the Technology Fee will be Search Engine Optimization (SEO); the management of your local microsite; access to Onyva Solutions; Franconnect; and two full licenses to Microsoft 365 Business Standard. Additional Licenses will be available for purchase at the prevailing rate. Once you sign your lease, we will create a store-specific email address for your location. You will receive two email addresses as part of the Technology Fee. Each subsequent email license will be charged on a monthly basis at Microsoft’s prevailing rate.
Additional Training Fee for New Owner Training	Currently \$1,000 per trainee	Payable in advance of training	Your Franchise Fee includes New Owner Training for two people. Any additional trainees at the New Owner Training that you would choose to have participate will be charged \$1000 per class. While the direct training of your front-line staff is your responsibility, we may provide training to additional persons in the management and administration of the spa. We may provide training to your newly-hired senior personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request.
Spa Opening Assistance Fee	\$500 per day plus travel and lodging expenses	On demand	As part of your initial franchise fee you will receive four (4) days of on-site assistance for your grand opening. Should you want additional assistance you will be charged \$750 per day for each trainer we send, plus the costs of travel, meals and lodging.
Conference Fee	The then current conference registration fee	One hundred twenty (120) days before the conference.	We may hold an annual conference which you are required to attend. We reserve the right to change the conference fee at our sole discretion. This fee is due regardless of whether or not you attend our annual conference in any given year. Further, you are

Type of Fee	Amount	Due Date	Remarks
			responsible to pay your representatives salaries and benefits and all travel related expenses.
Approval of goods, services or suppliers	Our actual costs to evaluate	On demand	If you would like to use any goods or services in establishing and operating the Onyva Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications, or the supplier meets our approved supplier criteria.
Transfer Fee	50% of our then-current initial franchise fee or such greater amount as is required to reimburse us for reasonable expenses associated with reviewing the transfer.	\$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of the approved transfer	Payable in connection with the transfer of your Onyva Spa Business, a transfer of ownership of your legal entity, or the Franchise Agreement. If the transfer is to a legal entity you control, the Transfer Fee is waived. All transfers must receive our approval.
Transfer Fee - Multi-Unit Development Fee	50% of our then-current initial franchise fee for each outlet remaining to be developed under the development schedule	At the time of transfer	Payable to us.
Successor Franchise Fee	25% of the then-current initial franchise fee.	At the time of renewal	You must notify us in writing one hundred eighty (180) days prior to the expiration of the in-force Franchise Agreement of your desire to renew. The Renewal Fee is due at the time of renewal and is non-refundable.
Public or Private Offering Fee	\$7,500 or such greater amount as is necessary to cover our costs and expenses for reviewing the proposed offering.	When you notify us of the potential offering.	Payable to us for reviewing a proposed offering of stock or partnership interests in your company.
Late Fee	\$100 per occurrence	As incurred	Due on each occurrence that you fail to make a timely payment to us or fail to provide a report as requested.

Type of Fee	Amount	Due Date	Remarks
Interest on Overdue Amounts	The lesser of 1.5% per month or the highest commercial contract interest rate that the law allows on amounts owed to us.	Upon demand	We may debit your bank account automatically for late fees and interest. This interest on overdue amounts is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.
Insufficient Funds Fee	\$100 or the highest amount allowed by law	As incurred	Payable to us if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to the Brand Fund or to us if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Audit Costs	Cost of audit and inspection, any understated amounts due plus interest, and any accounting and legal fees and expenses	Fifteen (15) days after audit completion.	You will be required to pay this if an audit reveals that you understated Gross Revenues or you fail to submit required reports.
Indemnification	Varies	Upon demand	You will indemnify us against any costs arising out of the Onyva Franchised Business's operation, the business you conduct under the Franchise Agreement, or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Varies	Upon demand	Reimbursement to us for all of the costs and expenses that we incur due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with the Franchise Agreement.
Insurance Costs	Varies	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain the insurance for you and the Onyva Franchised Business on your behalf, in which event you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a ten percent (10%) administrative fee for

Type of Fee	Amount	Due Date	Remarks
			our time incurred in obtaining the insurance.
Management Fee	Actual expenses plus a ten percent (10%) administrative fee.	As incurred	Payable if we exercise our rights under the Franchise Agreement to step in and manage your Onyva Spa Business.
Liquidated Damages	An amount equal to the average Royalty Fee earned by us for the twelve (12) month period, or shorter period if your spa is in operation for less than twelve (12) months, multiplied by thirty-six (36) or the number of months remaining in the term, whichever is less.	Upon demand	Due if we terminate the Franchise Agreement before the end of the term because of your material breach, or if you terminate the Franchise Agreement without legal cause.

Notes:

(Please review the table above in conjunction with the notes that follow.)

1. “Gross Revenues” means all revenue that you bill/invoice (whether or not collected), plus all other amounts you derive, from operating the Onyva Franchised Business, including all services and products sold, all amounts that you charge, invoice, or receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and bona fide refunds to customers.

You will authorize us to debit your business checking account automatically for the Royalty Fee, the Brand Fund Contribution, and the Technology Fee (the “**Electronic Depository Transfer Account**” or “**EDTA**”). We will debit the EDTA on the specified dates that payments are due.

2. The Royalty Fee will be calculated on a weekly basis, according to the accounting and reporting periods established by us.

3. We have the right to use collection agents and institute legal proceedings to collect Brand Fund Contributions at the Brand Fund’s expense.

4. All of the fees disclosed in this Item 6 are uniformly imposed and are non-refundable.

ITEM 7

ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
(Single Unit)

Type of Expenditure	Estimated Amount/ (Low-High Range)		Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	\$59,500	\$59,500	Lump sum	Upon signing the Franchise Agreement	Us
Leasehold Improvements (2)	\$180,000	\$480,000	As incurred	As incurred	Third parties
Millwork (2)	\$44,000	\$52,000	As incurred	As incurred	FC Dadson
Construction Project Mgmt; Architecture (3)	\$34,000	\$34,000	As incurred	As incurred	FC Dadson
Travel and Living Expenses While Training (4)	\$2,000	\$4,000	As incurred per participant	During training	Airlines, hotels and restaurants
Furniture & Fixtures and Equipment (including Computer System) (5)	\$31,000	\$44,000	As incurred	As incurred	Approved vendors
Site Selection and Real Estate Services (6)	\$6,000	\$6,000	As incurred	As required	Newmark Midwest Region, LLC
Pre-Opening Lease Payments (7)	\$0	\$21,000	As incurred	As incurred	Landlord
Security and Utility Deposits (8)	\$2,000	\$6,000	As incurred	As incurred	Landlord and utility companies
Signage (9)	\$2,800	\$7,200	As incurred	As incurred	Approved vendor
Insurance (10)	\$1,200	\$3,400	As incurred	Before opening	Insurance agent or carrier
Business License & Permits (11)	\$200	\$2,800	As incurred	As incurred	Government agencies
Pre-Opening and Grand Opening Marketing (12)	\$7,500	\$7,500	As incurred	As incurred	Sperling; Third parties; suppliers
Initial Advertising (13)	\$3,000	\$6,000	As incurred	As incurred	Sperling; third parties; suppliers
Technology Fee (14)	\$3,125	\$3,825	As incurred	As incurred	Us

Type of Expenditure	Estimated Amount/ (Low-High Range)		Method Of Payment	When Due	To Whom Payment Is To Be Made
Opening Retail Inventory 15)	\$2,500	\$5,000	As incurred	As incurred	Approved vendors
Legal/Professional Fees (16)	\$1,500	\$4,500	As incurred	As incurred	Attorney/ Accountant/ Other professionals
Uniforms (17)	\$600	\$1,000	As incurred	As incurred	Approved vendors
Additional Funds (3 months) (18)	\$30,000	\$60,000	As incurred	As incurred	Employees, suppliers, vendors
Total (19)	\$410,925	\$807,725			

Notes:

The table above represents the initial investment for a single Franchised Business. Please review the table and the notes that follow. In compiling this chart, we relied on our and our affiliate's knowledge and experience. These estimated initial expenses are our estimate of the costs you may incur in establishing and operating your Onyva Franchised Business. Onyva Spa Businesses typically are 1,400 – 1,700 square feet in size and these estimates are based on the typical size of an Onyva Spa Business. These estimates may also vary depending on the market conditions, economic factors, and the local economy where you elect to open your Onyva Franchised Business. We do not offer direct or indirect financing for these costs. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

- (1) Initial Franchise Fee. The initial franchise fee is \$59,500 and is paid when you sign the Franchise Agreement.
- (2) Leasehold Improvements; Millwork. You must improve the premises of your Onyva Spa Business to our standards and specifications before you open for operation. Onyva Spa Businesses may be located in either urban or suburban areas. The site for the Onyva Spa Business should be located in a regularly trafficked commercial retail area. In an urban area, the site will be mixed-use, often to include residential. In a suburban area, the site should be more strictly commercial. These improvements may include, for example: flooring, wiring, HVAC, plumbing, painting, lighting, millwork, and décor. You will be given a construction Work Letter which lays out the infrastructure needed based on a vanilla (plain) box site. Ultimately the costs referenced in the chart above may vary greatly based upon the condition of the site and it's pre-existing infrastructure as related to the requirements laid out in the Work Letter. Additionally, the costs will also vary widely and may be significantly higher than projected in the chart above depending on factors such as property location, size of the projected spa, population density, economic climate, prevailing interest rates and other financing costs, the conditions of the property, and the extent of alterations required for the property. You should investigate all these costs in the area where you wish to establish your Onyva Spa Business. This estimate does not include any construction allowances or tenant improvement credits that may be offered by your landlord.

- (3) Construction Project Management; Architecture. To ensure your construction project adheres to our brand guidelines and to make the overall construction process as streamlined for you, you must use our approved Construction Project Management company, FC Dadson (“Dadson”). Dadson will coordinate all contractors, sub-contractors, architectural design/services, site survey, engineering, permitting, assemble bidders for you, bank and/or SBA paperwork and coordination, custom millwork, signage, obtain Certificate of Occupancy, and punch list coordination.
- (4) Travel and Living Expenses While Training. You will pay for all travel and living expenses which you (or your Operating Principal) and all of your employees incur and for your employees’ wages and workers’ compensation insurance while they are training. The costs will depend on the distance you must travel and the type of accommodations you choose. We will provide the New Owner Training program at or near our franchise administrative office (currently Boston, Massachusetts) or at a designated training facility of our choice. The low estimate assumes that you live within driving distance of our headquarters or the designated training facility; the high estimate assumes that you will incur costs for lodging, food and travel for the training period.
- (5) Furniture & Fixtures and Equipment (including Computer System). The estimated initial investment includes costs related to the purchase of all equipment necessary to open and operate your Onyva Spa Business. These include, but are not limited to: grooming equipment, tables, tubs, washer, dryer, grooming tools, shampoos and conditioners, towels, audio/video equipment, computers, iPads, security equipment, furniture, décor items, office furniture and equipment, printer, cleaning supplies, and bathroom supplies. All grooming related items must be to our standards (we will provide a specific list of approved equipment needed to outfit your spa).
- (6) Site Selection and Real Estate Services. To ensure the site of your Onyva Spa Business adheres to our brand guidelines by siting it in a place which mirrors the demographics and site requirements and to make the overall site selection process as easy and logical for you as possible, you must use our approved Site Selection and Real Estate Services company, Newmark Midwest Regional, LLC (“Newmark”). Newmark will provide detailed demographic analysis, Geo-Analytic services, transaction Management, and local broker selection. The fee referenced above is a one time fee for any and all Onyva Spas you wish to open within the same designated market area (DMA), should you choose to purchase multiple Onyva Spa franchise businesses.
- (7) Pre-Opening Lease Payments. You must rent or own suitable commercial space to house your Onyva Spa Business. The site location must be approved by us. The Pre-Opening Lease Payment is an estimate for the first three month’s lease payments for your Onyva Spa Business (some Landlords may require six months’ down payment). Your Onyva Spa Business will need approximately 1,400 – 1,700 square feet. Some of our franchisees receive free rent for the first two to six months of their pre-opening lease term from their landlord. The low estimate above assumes you would not pay rent during construction and prior to opening. The costs for your space will vary significantly from location to location and are dependent on such factors as the general cost, location, and availability of commercial real estate in your exclusive territory, the type of space selected and the amount of space desired.
- (8) Security and Utility Deposits. Utility deposits may include gas, electric, water, telephone, and internet. Deposits are paid directly to the entity providing service. Deposits are often refundable if you are current of all payments at the time you request the refund.
- (9) Signage. This estimate is for full signage on the front exterior of the building as well as interior signage. This includes an illuminated sign along the front entrance of the building and one road sign. The low and high estimates are based on supplier and location. The type and size of the signage you install will be based upon the zoning and property use requirements and restrictions. There could be

an occasion where certain signage is not permitted because of zoning or use restrictions. All signage must comport to our brand standards and be approved by us.

- (10) Insurance. This estimate includes three months of premium payments. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Insurance coverage must include comprehensive public liability, general liability, bodily and personal injury liability, death and property damage, business property at replacement cost, product liability, employer's liability and workers' compensation, commercial liability umbrella, errors and omissions, business interruption and rent insurance and other types of insurance as we may require in the future. You must name us as an additional insured on all policies.
- (11) Business License and Permits. You may be required to obtain business licenses from state and/or local government agencies to operate your Onyva Spa Business.
- (12) Pre-Opening and Grand Opening Marketing. Under the Franchise Agreement we require you to spend a minimum of \$7,500 on Pre and Grand-Opening Marketing. You may choose to invest more – and we certainly encourage you to do so – but this spending is strictly at your own discretion. You will receive a Pre-Open and Grand Opening Marketing Plan, which provides staging and calendaring. It must be administered as provided. The Pre-Open and Grand Opening Marketing Plan provides a step-by-step process, including the timing of all activities and advertising tools and templates, to help insure significant revenue is generated at the point of opening. Your marketing can only use elements approved by us.
- (13) Initial Advertising. You must conduct advertising, marketing, and promotional campaigns prior to opening your Onyva Franchised Business and during the first few months of operations. We can help you develop these initial advertising plans and programs. We recommend that you spend \$3,000 to \$6,000 on this initial advertising. As with your Pre-Opening and Grand Opening marketing efforts, you are encouraged to invest more heavily in initial advertising than that which is required here, but any additional investment is strictly at your own discretion. All on-line advertising campaigns (i.e. paid ads, pay-per-click advertising campaigns) shall be administered through the marketing firm Sperling, which has been involved in this capacity with Onyva since our inception.
- (14) Technology Fee. The Technology Fee, as detailed in Item 6, will be charged at \$350 per month beginning upon signing of the Franchise Agreement until one month prior to Grand Opening at which time the fee will increase to \$675. During the Pre-Open period the Technology Fee will cover: full access to FranConnect, which includes *FranConnect Opener* a pre-open planning and tracking tool – from construction to Grand Opening, training tools, and our corporate library; following opening it includes Onyva Solutions, our proprietary operational software solution, which includes CRM and POS components; site specific website development and hosting; Search Engine Optimization (SEO); social media templates; two (2) location specific email addresses; and two (2) Microsoft Business 365 Standard licenses.
- (15) Opening Retail Inventory. You will be required to offer Onyva branded items and select other items for retail sale. The size of your Onyva Spa Business will dictate how much retail you will offer for sale, but you must stock an inventory with a minimum value of \$2,500.
- (16) Legal and Professional Fees. We believe that it is important for you to consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into a Franchise Agreement with us. You should also use an attorney or other business advisor to review any lease or other agreements that you enter in connection with your Onyva Franchised Business or other independent business relationship.

- (17) **Uniforms.** To comply with Onyva requirements, your staff will need to wear uniforms. These are available from an Onyva approved vendor.
- (18) **Additional Funds (3 months).** These amounts represent our estimate of the amount needed to cover your expenses for the initial three-month start-up phase of your Onyva Spa Business. These include, but are not limited to: payroll costs (but not any draw or salary for you), insurance, utilities, advertising, rent, accounting and other professional fees, and other operational expenses. These figures do not include standard pre-opening expenses, or advertising fees payable under the Franchise Agreement, or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase.
- (19) **Total.** This is an estimate of your initial start-up expenses for one Onyva Spa Business.

Unless otherwise noted above, none of the above fees are refundable to you.

YOUR ESTIMATED INITIAL INVESTMENT (Multi-Unit)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (for 2 Outlets) ¹	\$105,000	Lump Sum	Upon signing the Multi-Unit Development Agreement	Us
Other Expenditures for the First Outlet ²	\$351,425 - \$748,225	As Disclosed in Single Unit Table	As Disclosed in Single Unit Table	As Disclosed in Single Unit Table
Total	\$456,425 - \$853,225			

In general, none of the expenses listed in the above chart are refundable.

¹ Please see Item 5 for information on the Development Fee.

² These are the estimates for development of your first outlet. Costs associated with building out additional outlets are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

General

To ensure that the highest degree of quality and service is maintained, you must operate the Onyva Franchised Business in accordance with System Standards and the Franchise System. During the term of the Franchise Agreement:

Your Onyva Spa Business will provide only and all dog grooming care and services and other services and products that we specify from time to time;

Your Onyva Spa Business will offer and sell approved services and products only in the manner we have prescribed;

Your Onyva Spa Business will not offer for sale or sell at, or from, the Onyva Spa Business Premises or any other location any services or products we have not approved;

Your Onyva Spa Business will discontinue selling and offering for sale any services or products that we at any time disapprove in writing.

Approved Products, Distributors and Suppliers

We have developed or may develop standards and specifications for types, models and brands of required Operating Assets all required fixtures, furniture, equipment (including a required or recommended computer, , and point-of-sale information system), furnishings, and signs are referred to as “**Operating Assets**” in this Disclosure Document, and other products. If we develop such standards and specifications, we will either furnish these standards to you in the Operations Manual or otherwise in writing. Our criteria for approving suppliers, however, is fluid (but which is, generally, the ability to satisfy our quality standards and controls), and is not provided to franchisees. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you must purchase only products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates. We expect that we will notify you of approval or disapproval of suppliers, specifications, or products within 30 days of your written request for approval. At this time, we do not limit the suppliers from whom you may purchase approved products.

We may designate a single distributor or supplier (collectively, “**Supplier**”) for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products. The designated supplier may be us or an affiliate of ours. Currently, other than for the licensing of proprietary software or technology and advertising, as may be applicable (and, as discussed below), and except as described below, neither we nor our affiliates are approved suppliers.

If you would like to use any goods or services in establishing and operating the Onyva Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications, or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier’s ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation. We will notify you in writing if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers. Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume.

You are required to use Newmark, the designated supplier of site selection and real estate services.

You are required to use FC Dadson, the designated supplier for Construction Project Mgmt; Architecture.

You must use our designated marketing supplier Sperling for certain aspects of your marketing campaign and advertising

We and our affiliates may receive payments from suppliers on account of the suppliers’ dealings with you and other franchisees, and may use any amounts received without restriction and for any purpose we and

our affiliates deem appropriate. During the fiscal year ended December 31, 2024, we received no rebates on payments from suppliers based on franchisee purchases.

We and our affiliate reserve the right to earn a profit from the sale of products to our franchisees. During the fiscal year ended December 31, 2024, neither we nor our affiliate earned any revenue from the sale of required purchases.

Except as noted above, neither we nor any affiliate of ours will derive (and, except as described above, neither we nor any affiliate of ours have derived) revenue as a result of your purchases or leases in accordance with our specifications or standards or from approved suppliers.

Except for our officers interest in our affiliate and us, none of our officers owns an interest in any other companies that are vendors or suppliers to our franchisees.

We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or advantageous advertising support or services. Approval of a supplier or distributor may be conditioned on requirements concerning product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

We may negotiate purchase arrangements (including price terms) with certain suppliers of approved products. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. As of our last fiscal year end, we have negotiated the following purchase arrangements:

- Botaniqa – our provider of shampoos, conditioners, and assorted grooming products
- Pet Store Direct – our vendor of grooming tools and supplies
- FC Dadson – our provider of construction management services
- Newmark Midwest Region, LLC – our provider of site selection services
- Sperling – our vendor for on-line advertising and search engine optimization

Similar supplier/vendor relationships may be created and be required of you from time to time. When and if that should happen, you will be notified in writing of the new relationship. Presently there are no purchasing or distribution cooperatives that you must join.

Except as described in this Item 8, we do not provide any material benefits to you based on your use of designated or approved suppliers (such as new Territory).

We estimate that your purchases or leases from approved suppliers or in accordance with our specifications will represent approximately 20% to 40% of your total purchases in the establishment of the Onyva Franchised Business, and 70% to 90% of your total purchases in your continuing operation of the Onyva Franchised Business.

Computer System

You must obtain and use the computer hardware and/or operating software and/or communications capabilities we specify from time to time (the “**Computer System**”). We may modify specifications for and components of the Computer System.

Advertising

We will work with you to develop, on an annual basis, an advertising and marketing plan (the “**Plan**”) for you, your Onyva Franchised Business, and your Territory. You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. In addition to your Brand Fund Contribution obligations, you must spend a minimum of two thousand dollars (\$2,000) each month during your first six months of operation for local advertising. Thereafter, the required spend for local advertising is one thousand dollars (\$1,000) per month. Your local advertising and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Website’s domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local advertising. However, you will be required to pay those third parties directly without any offset to your local expenditures requirements.

For all proposed advertising, marketing, and promotional plans, you must submit samples of plans and materials to us for our review and prior written approval (except concerning prices that you may charge). If written approval is not received by you from us within ten days of the date of receipt by us of the samples or materials, the samples or materials will be deemed to have been disapproved.

Insurance

You must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Onyva Spa Business’s operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage include: (1) general liability insurance, including products and completed operations, with limits of at least \$1 million per occurrence and \$2 million aggregate; (2) workers’ compensation and employer’s liability insurance with limits of no less than \$1,000,000 bodily injury by accident, \$1,000,000 bodily injury by disease each employee and \$1,000,000 bodily injury by disease policy limit. You must also meet any federal, state or local requirements, statutes or regulations for the state(s) in which your Onyva Spa Business is operating; (3) personal advertising injury coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (4) animal bailee coverage with limits of at least \$10,000 per occurrence and \$25,000 aggregate; (5) professional liability coverage with limits of at least \$1 million each incident and \$2 million aggregate; (6) employment practices liability insurance with limits of at least \$500,000 per occurrence and \$500,000 aggregate; (7) automobile liability insurance, including coverage for any owned, hired or non-owned automobiles with a limit of not less than \$1,000,000; (8) cyber liability insurance with a limit of not less than \$25,000; and (9) bonding as mandated by any applicable federal, state or local requirement, statute of regulation. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insured and provide for 30 days prior written notice to us of a policy’s material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain comparable insurance for you and your Onyva Spa Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

Payroll and Payroll Tax Providers

You are required by federal and state laws to comply with certain employment laws and employee payroll and tax requirements and to pay employment taxes on behalf of your employees. You may also offer

various employee benefits (but we do not require that you do), such as health (except where required by law), dental and/or vision insurance, a 401(k) plan, or other benefits. All employment, hiring, firing, compensation, and benefits decisions and actions are your sole responsibility. As a means to provide consistent reporting of payroll and employee information, along with providing benefits administration and other human resource functions, and to assist you in your payroll and payroll tax obligations, we require that all new franchisees retain and utilize an approved third-party payroll, tax and employee services administrator. We will strongly encourage and recommend that all existing franchisees utilize the designated payroll and benefits administrator. The fees for these services will be electronically debited from your bank account and paid to a third-party vendor. Franchisees are not allowed to be vendors or suppliers.

* * *

We may operate and change the Franchise System in any manner that is not expressly or specifically prohibited by the Franchise Agreement. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, as we consider to be best, to vary System Standards for any franchisee or any franchised Onyva Spa Business based upon the peculiarities of any condition that we consider important to that franchisee's or Onyva Spa Business's operation. Periodically, we may modify System Standards, and to the extent the changes to the System Standards will apply, generally, to franchisees and offices operating under the System, these modifications may obligate you to invest additional capital in the Onyva Franchised Business and/or incur higher operating costs. You must implement any changes in the System Standards within a time period we request, whether they involve refurbishing or remodeling the Premises or any aspect of the Onyva Franchised Business, buying new operating assets, adding new services offered by the Onyva Franchised Business, or otherwise modifying the nature of your operations.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement(s)	Disclosure Document Item(s)
a. Site selection and acquisition/lease	Section 2.1 of the Franchise Agreement	8 & 11
b. Pre-opening purchases/leases	Sections 2.2 and 2.4 of the Franchise Agreement	5, 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 2.2 and 2.5 of the Franchise Agreement; Article 5 of the Multi-Unit Development Agreement	8 & 11
d. Initial and ongoing training	Sections 4.1 and 4.2 of the Franchise Agreement	11
e. Opening	Section 2.5 of Franchise Agreement	11
f. Fees	Sections 3, 9.2, 12.3, and 12.8 of the Franchise Agreement; Article 4 of the Multi-Unit Development Agreement	5 & 6

Obligation	Section in Agreement(s)	Disclosure Document Item(s)
g. Compliance with standards and policies/Operating Manual	Sections 4.4, 5.2, and 8 of the Franchise Agreement	8, 11 & 14
h. Trademarks and proprietary information	Sections 5 and 15.2 of the Franchise Agreement; Article 2 of the Multi-Unit Development Agreement	13 & 14
i. Restrictions on products/services offered	Sections 8.2 and 8.3 of the Franchise Agreement	5, 8 & 16
j. Warranty and customer service requirements	Section 8.4 of the Franchise Agreement	16
k. Territorial development and sales quota	Not applicable; Article 1, Attachment 2 and 3 of the Multi-Unit Development Agreement	Not applicable
l. Ongoing product/service purchases	Sections 2.4, 8.3, and 8.4 of the Franchise Agreement	8
m. Maintenance, appearance and remodeling requirements	Sections 8.1, 8.9 and 13.2 of the Franchise Agreement	8
n. Insurance	Sections 2.5, 8.4, and 8.6 of the Franchise Agreement	7 & 8
o. Advertising	Section 9 of the Franchise Agreement	6, 7, 8 & 11
p. Indemnification	Sections 5.5, 11.2, 16.4, and 17.3 of the Franchise Agreement; Article 10 of the Multi-Unit Development Agreement	Not applicable
q. Owner's participation/management/staffing	Section 8.5 of the Franchise Agreement	15
r. Records and reports	Sections 3.2 and 10 of the Franchise Agreement	6
s. Inspection and audits	Section 11 of the Franchise Agreement	6 & 11
t. Transfer	Section 12 of the Franchise Agreement; Article 11 of the Multi-Unit Development Agreement	17
u. Renewal	Section 13 of the Franchise Agreement	17
v. Post-termination obligations	Section 15 of the Franchise Agreement; Article 11 of the Multi-Unit Development Agreement	17
w. Non-competition covenants	Sections 7 and 15.4 of the Franchise Agreement; Article 8 of the Multi-Unit Development Agreement	17
x. Dispute resolution	Section 17 of the Franchise Agreement; Article 10 of the Multi-Unit Development Agreement	17

Obligation	Section in Agreement(s)	Disclosure Document Item(s)
y. Taxes/permits	Sections 2.2, 2.5, and 16.3 of the Franchise Agreement	1
z. Personal Guarantee	Section 1.8 and Attachment 4 of the Franchise Agreement; Article 2 of the Multi-Unit Development Agreement	15

ITEM 10 **FINANCING**

We do not offer direct or indirect financing. We do not guarantee your loans, notes, lease, or any other obligation.

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

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

Pre-Opening Obligations

We are required by the Franchise Agreement to provide certain assistance and services to you. Before you open your Onyva Franchised Business we (or our designee(s)) will provide the following assistance and services to you:

- (1) Provide a New Owner Training Program on the operation of the business components of your Onyva Spa Business and a Train-the-Trainer Immersion Program on Spa operations and management. For more details on training, please refer to the "Training" subheading below. (Franchise Agreement, Section 4.1).
- (2) During the Initial Term, we will loan you one copy of our Operations Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. (Franchise Agreement, Section 4.4).

Provide you with advice in identifying a suitable site for your Onyva Spa Business (See Franchise Agreement, Section 2.1). We must approve the site before you sign the lease for the Premises. In evaluating a proposed site, we consider such factors as general location and neighborhood, traffic patterns, parking, size, layout, and other physical characteristics. Before leasing or purchasing the site for your Onyva Spa Business, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. You are required to use Newmark, the designated supplier of site selection and real estate services. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease the site for your Onyva Spa Business within 180 days after signing the Franchise Agreement. If you are unable to purchase or lease a site or we cannot agree on a site within this period, it is grounds for termination of your Franchise Agreement. We may grant you one extension to the deadline for purchasing or leasing a site at our sole discretion. Although we will consult with you on your site and require your site be subject to our final authorization, you have the ultimate responsibility in choosing, obtaining, and developing the site for your Onyva Spa Business. You must open your Onyva Spa

Business within six (6) months after execution of your lease for the premises or closing on the purchase of your premises, whichever is applicable.

(4) Once you have an approved site for your Premises, we will designate a territory (See Franchise Agreement, Section 2.1) in which you will have the right to operate an Onyva Spa Business within the designated territory.

(5) We will provide you with a copy of our basic specifications for the design and layout of your Onyva Spa Business, including layout drawings. You must contract with FC Dadson who will function as your construction project manager. FC Dadson will coordinate with you all aspects of the construction process including preparing you for your submission to us for approval all architectural, engineering and construction drawings and site plans, before you begin construction of your Onyva Spa Business. You are responsible for the costs of construction and remodeling. (See Franchise Agreement, Section 2.2).

(6) We will provide you with specifications for furniture, fixtures, equipment, inventory, and supplies required for the operation of your Onyva Spa Business as well as a list of names and addresses of required or approved suppliers, manufacturers, and distributors. You are responsible for the costs and expense to purchase and install all equipment, furniture and fixtures as specified in the Franchise Operations Manual (See Franchise Agreement, Section 2.2).

(7) Provide you with materials such as a Grand Opening planning tool, marketing templates, social media templates and consultation in connection with the grand opening marketing for your Onyva Spa Business which will be delivered to you. (See Franchise Agreement, Section 9.3).

(8) We will provide you with general guidance regarding pricing strategies for products and services at your Onyva Spa Business. We do not set minimum or maximum prices. (Franchise Agreement, Section 8.7).

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Onyva Franchised Business. We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase an existing Onyva Spa Business.

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and services to you. During the operation of your Onyva Franchised Business:

(1) Provide you periodic assistance in marketing, management, assistance with key suppliers and the operations of your Onyva Spa Business at the time, and in the manner, we determine necessary. Periodically we may offer you the services of our staff and field representatives, who may visit your Onyva Spa Business to analyze and consult on the operation of your facility. (Franchise Agreement, Sections 4.3, 4.4 and 9.3).

(2) Provide additional training or refresher training courses and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance. (Franchise Agreement, Section 4.2).

(3) We will advise you from time to time regarding the Onyva Franchised Business's operation based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you concerning: (a) standards, specifications, and operating procedures and methods that Onyva Spa Businesses use; (b) advertising and marketing materials and programs; (c) employee training and recruiting programs; and (d) administrative, bookkeeping, and accounting procedures. (Franchise Agreement, Section 4.3).

- (4) We will provide assistance to you through mandatory standards and suggested operations procedures in our Operations Manual. (Franchise Agreement, Section 4.4).
- (5) We will administer the Brand Fund under the Franchise Agreement. (Franchise Agreement, Section 9.2).
- (6) Allow you to continue to use confidential materials, including the Operations Manual, which we will keep up to date, and the Marks. (Franchise Agreement, Sections 4.4 and 6).
- (7) Hold periodic conferences, as we deem necessary, to discuss dog grooming, sales strategy and techniques, personnel training strategies, operations, accounting, Onyva System standards, and advertising strategies. You shall be responsible for paying a conference fee and for all expenses related to travel, meals, and accommodations for your Onyva Spa Business's staff in attendance. (Franchise Agreement Section 4.2)
- (8) We will provide you with general guidance regarding pricing strategies for products and services at your Onyva Spa Business. We do not set minimum or maximum prices (Franchise Agreement, Section 8.7).

Site Selection

You must operate the Onyva Spa Business from an approved location. Your Onyva Spa Business site must contain signage. You must obtain our written approval of the proposed Onyva Spa Business location before signing any lease, sublease, or other document for the site.

We will provide you with certain recommended or required specifications for your Onyva Spa Business. We require you to contract with Newmark Midwest Region, LLC for your site selection needs. Newmark will provide you detailed demographic analysis along with other research. Newmark will provide you all the necessary services and counsel for a real estate transaction including helping you choose an appropriate site and conducting lease negotiations on your behalf. The expense for site selection services will be your responsibility.

If we have completed any research on the market area that you are considering, we will provide you with it for information and background purposes only. You should verify all information provided.

We will use reasonable efforts to approve or disapprove the proposed site within 30 days after your request for our approval which approval will be based on our then-current standards. Upon our approval of your Onyva Spa Business site, and after you secure the site, we will insert its address into the Franchise Agreement, and it will be the official location of your Onyva Spa Business. You may operate the Onyva Spa Business only from the approved Onyva Spa Business site identified in your Franchise Agreement. If you are a Multi-Unit Developer, you must submit each proposed site to be developed under the mandatory development schedule to us for our approval, which approval will be based on our then-current standards.

You must purchase or lease, at your expense, the site for your Onyva Spa Business within one hundred and eighty (180) days after signing the Franchise Agreement. If you are unable to purchase or lease a site for your Onyva Spa Business within that period, you must file for an extension from us. We may grant you one extension to the deadline for purchasing or leasing a site at our sole discretion. Once your sale is closed or your lease is signed for your Onyva Spa Business, you then have one hundred eighty (180) days to open your Spa. Failure to open within the one hundred eighty (180) day period is considered a material breach of the Franchise Agreement which provides us with the right to terminate your Franchise Agreement. If you do not locate a site which is acceptable to us within one hundred and eighty (180) days of signing the Franchise Agreement we may terminate the Franchise Agreement. If you desire to move or relocate your Onyva Spa Business, you must provide us a written request for relocation and a detailed reason for

relocation. You must receive our prior written approval before you can relocate. Any proposed move must be within your Territory, and a relocation will be subject to the same criteria, conditions, and procedures as we have established (and may in the future modify) for the initial approval of the Onyva Spa Business and all expenses related to relocation shall be your responsibility.

If we recommend or give you information regarding the Territory, or a site for the Onyva Spa Business, and if we approve a Onyva Spa Business site, our advice, action, or information is not a representation or warranty of any kind, express or implied, of the site's suitability for a Onyva Spa Business or any other purpose. Our recommendation indicates only that we believe that the site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we recommend or approve fail to meet your expectations. Your acceptance of the franchise should be based on your own independent investigation of the Territory and the site. Our site-selection assistance is primarily for our benefit and not for your benefit.

The typical time from signing the Franchise Agreement and opening the Onyva Spa Business is approximately eight (8) to ten (10) months depending on the ability to obtain a lease, ability to obtain financing and/or building permits, zoning and local ordinances, shortages or delays in installation of equipment, fixtures, and signs, and other factors.

Training

We will provide you (or your Managing Owner or Operating Principal), and your Spa Manager the New Owner Training, which will address the material aspects of operating an Onyva Spa Business. The New Owner Training may be conducted at our discretion, at our headquarters, and/or at a designated training facility, and/or in your Onyva Spa Business's Premises, and/or online. The New Owner Training will typically be held at least on a quarterly basis or more often if necessary to meet the franchisor's obligations pursuant to the Franchise Agreement.

We will provide the New Owner Training, for no additional fee, for two people from your Onyva Spa business. You, or your Managing Owner or Operating Principal, if such is appropriate, and your Spa Manager are required to attend the New Owner Training sessions. In addition, if we have space available in a regularly scheduled training class, you may bring other of your employees to the training class(es) at a charge of one thousand dollars (\$1,000) per individual. You must pay for all travel and living expenses for any attendees, including yourself, from your Onyva Spa Business well as your employees' wages and workers' compensation insurance while they are training.

You (or your Managing Owner or Operating Principal), and the Spa Manager must satisfactorily complete New Owner Training before opening your Onyva Spa Business, excepting the Grand Opening portion of training which shall occur at the time of the opening of your Onyva Spa Business. If you (or your Managing Owner or Operating Principal) or your Spa Manager fail to complete the New Owner Training to our satisfaction, then you may repeat the course or send a substitute to complete the next available training program. We reserve the right to charge you for substitute personnel that attend the next training program.

All management personnel, including the Managing Owner or Operating Principal, Spa Manager, and any other personnel that we designate, must receive our certification, before managing the Onyva Spa Business or training other personnel who either work in your Onyva Spa Business or plan to do so. We may, at any time during the term of the Franchise Agreement, decertify any previously certified personnel if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification. We reserve the right to charge for training personnel that have been decertified.

In addition, all management personnel, and other personnel working at the Onyva Spa Business must satisfactorily complete all state and local government required training and must meet all required licensing requirements, should such exist where your Onyva Spa Business is located.

If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you must pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

The following charts outline our New Owner Training program:

New Owner Training and Support

We will provide you training immediately after signing your Franchise Agreement. This two-day remote training course is known as Initial New Owner Training (“INOT”). This training program will provide an introduction to Onyva and a guided roadmap to assist you in getting your Onyva Spa Business through construction and ready to open.

INITIAL NEW OWNER TRAINING

Subject	Hours of Classroom Training	Hours of On-Site Training	Location
Getting to your Onyva Spa Opening	2	0	Remote Training
Site Selection/Construction: Understanding the Process	3	0	Remote Training
Competitive Analysis and Pricing	2	0	Remote Training
State Licensing	1	0	Remote Training
Equipment and Supplies	2	0	Remote Training
Total	10	0	

New Owner Training: The Business and Operations of an Onyva Spa

Once your Onyva Spa Business is in construction we will provide you with New Owner Training (“NOT”). These five days of intensive instruction are split between the business operations of your Onyva Spa Business and the operation/management of the grooming Spa Business. The latter is done through a Train-the-Trainer model whereby your Spa Manager, who must be a trained and experienced groomer with a minimum of two years spa/grooming experience, is taught the Onyva method and provided the curriculum to bring back to your Onyva Spa Business so he/she/they can directly instruct your staff in the Onyva grooming method. You or your Managing Owner or Operating Principal, if one exists, must attend all five days of the New Owner Training, including the Train-the-Trainer operations components.

NEW OWNER TRAINING

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
DAY 1 – OWNING AN ONYVA			
The Onyva Difference: Foundational Core Values, Corporate Culture, Philosophy, Brand Identity	2	0	Our Headquarters, Training Facility
Customer Service is absolutely necessary, but it’s not sufficient: We are in the <i>hospitality</i> business	1	0	Our Headquarters, Training Facility
Building a clientele/managing client relationships	1	0	Our Headquarters, Training Facility
Marketing and Selling: Tools, resources, and support	5	0	Our Headquarters, Training Facility
Creating a Marketing Plan: Special Events, Social Media/Press/Publicity			
Selling Onyva’s Services			
DAY 2 – OWNING AN ONYVA PART 2			
LEARNING BY DOING: A HANDS-ON APPROACH TO RUNNING AN ONYVA			
The business of operating an Onyva Spa – policies and procedures; the <i>hands-on / how-to</i> approach to learning the day-to-day management of on Onyva	3	0	Our Headquarters, Training Facility
Franchisee support: Learning and development systems, resources, and franchisee support	1	0	Our Headquarters, Training Facility
Operations: tools, resources, and support			
Onyva Solutions – the technological underpinning of your Onyva Spa	5	0	Our Headquarters, Training Facility
DAY 3 – OWNING AN ONYVA PART 3			
Franchisee/franchisor responsibilities	1	0	Our Headquarters, Training Facility

Financial Management and reporting; KPIs	2	0	Our Headquarters, Training Facility
Vendors/equipment & supplies	1	0	Our Headquarters, Training Facility
Human Resources: Staffing, org chart, recruiting	3	0	Our Headquarters, Training Facility
Administrative issues, Liability, facility operations	2	0	Our Headquarters, Training Facility
DAY 4 – SPA MANAGEMENT: TRAIN-THE-TRAINER PART 1			
The Onyva Way: Our approach to dogs, their integrity, and a focus on skin & coat. Philosophy drives policy.	4	0	Our Headquarters, Training Facility
How to take the skills you have and teach them.	2	0	Our Headquarters, Training Facility
Skin and Coat Technicians – Levels 100, 200, 300. The differences and intro to the curriculum.	3	0	Our Headquarters, Training Facility
DAY 5 – SPA MANAGEMENT: TRAIN-THE-TRAINER PART 2			
The workflow of dogs: from check-in to check-out.	4	0	Our Headquarters, Training Facility
The workflow of the Spa: Internal procedures	5	0	Our Headquarters, Training Facility
Total	45	0	

Grand Opening Training

Once your Onyva Spa Business is ready to open, we will send a member of our staff to assist you at your Onyva Spa Business for five days. These are the two days of the soft-opening, grand-opening, and your first two days of operation. We will then provide periodic consultative training meetings, held remotely, to review your operations and provide additional training and skills based on your unique experience. In these training meetings we will address any issues you may encounter, questions you and your team may have, and begin making sure your day-to-day experience operating your Onyva Spa Business is smooth.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Facility Operations and management	0	20	Your Onyva Spa

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Integrating customer service	0	10	Your Onyva Spa
Spa and dog management	0	20	Your Onyva Spa
Retail merchandising	0	5	Your Onyva Spa
Management review meetings (weekly for month one)	5	0	Online
Total	5	55	

Our training program is conducted under the supervision of Lisa Mulman, our Co-Founder and Chief Brand Officer. Ms. Mulman founded and has operated our affiliate Onyva Spa since 2021.

From time to time, we may require that you, your Managing Owner or Operating Principal, Spa Manager, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you request that we provide additional training at your Onyva Spa Business location, or if we determine that additional on-site training is necessary, you must pay our then-current per diem fee for each trainer we send, currently \$500 per attendee per day plus travel, lodging, and meals.

You, or your Managing Owner or Operating Principal, and/or other previously trained and experienced Spa Manager, and employees, must attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. If attendance at these conventions, conferences and meetings is required, we reserve the right to charge you the registration fee and other fees, including a non-attendance fee in an amount we designate, even if you or the required attendee does not attend. In addition, you must pay all travel and lodging costs to attend.

Should either your Spa Manager or Operating Principal/Managing Owner leave your Onyva Spa Business, the individual(s) who replace them must satisfactorily complete our New Owner Training program within 30 days after being designated as Spa Manager, Operating Principal/Managing Owner. You must pay all travel and living expenses which you and your employees incur during all training courses and programs.

Any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

Marketing

We are not obligated to conduct advertising.

The Brand Fund

The image of Onyva, the Marks, and Onyva Spa Businesses held by the public in general, by clients, and by Onyva managers and employees, is important to the System and the Marks. We have established a Brand Fund (the “Brand Fund”) for the enhancement and protection of the Onyva® brand and Marks, and for the advertising, marketing, and public relations programs and materials as we deem appropriate.

We will have sole discretion to use the Brand Fund, and monies in the Brand Fund, for any purpose that we designate that we believe will enhance and protect the Onyva® brand and Marks, will improve and increase public recognition and perception of the Onyva® brand and Marks and Onyva, and will improve and enhance the perception of Onyva held by franchisees, managers, and other employees of Onyva. Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: creative development and production of on-line or print ads, templates, advertising or marketing campaigns; commercials, radio spots, direct mail pieces, door hangers, and other advertising and promotional materials; creative development of, and preparing, producing, and placing video, audio, and written materials and electronic media; media placement and buying, including all associated expenses and fees; administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys, including the use of “secret shoppers” or “clients;” lead generating services or vendors; the creative development of, and actual production associated with, promotions, public relation events, and charitable or nonprofit events; creative development of signage and posters; employee recognition and awards events and programs; periodic national and regional conventions and meetings; website, Online Site, extranet and/or intranet development, implementation, and maintenance; retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and public relations and community involvement activities and programs. We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

Currently, you must contribute to the Brand Fund an amount equal to 1.75% of your Gross Revenues, payable in the same manner as the Royalty, but we reserve the right to increase your Brand Fund Contribution to up to 3% of your Gross Revenues upon 30 days’ written notice to you. Other franchisees must contribute the same amounts. We may at any time defer or reduce contributions of a Onyva Franchised Business franchisee and, upon thirty (30) days prior written notice to you, reduce or suspend Brand Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund.

We are not required to contribute to the Brand Fund for Onyva Spas that are owned by us or our affiliates. We have the right to collect for deposit into the Brand Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Onyva Spa Businesses and with whom we have agreed that we will so deposit these allowances. These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes. Therefore, we and our affiliates may use these monies for any purposes that we and they deem appropriate.

For the fiscal year ended December 31, 2024, there were no expenditures by the Brand Fund because the Brand Fund was not yet established. No money in the Brand Fund will be used to create and place advertising that is primarily a solicitation of franchise sales.

The Brand Fund periodically will provide you samples of advertising, marketing, and promotional formats and materials at no cost. We may sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will administer the Brand Fund. We will account for the Brand Fund separately from our other funds and monies and not use the Brand Fund for any of our general operating expenses. However, we may use the Brand Fund to pay administrative costs of the Brand Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Fund, and we may use the Brand Fund to pay the reasonable salaries and benefits of personnel (including our personnel and personnel of our affiliates) who manage and administer the Brand Fund. We may use the Brand Fund to pay for other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead concerning Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

The Brand Fund will not be our asset. Although the Brand Fund is not a trust, we will hold all Brand Fund contributions for the benefit of the Franchise System, the Onyvva® brand, and the contributors, and use contributions only for the purposes described in this Item 11 and Section 9.2 of the Franchise Agreement. We do not owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets.

We will prepare an annual, unaudited statement of Brand Fund collections and expenses. The statement will be available for your review upon written request, 90 days after our fiscal year. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all the rights and duties specified in this Item 11 and Section 9.2 of the Franchise Agreement.

We intend the Brand Fund to enhance public, franchisee, and employee recognition of the Onyvva® brand, Marks and Onyvva. Although we may use the Brand Fund, or portions of the monies in the Brand Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Onyvva franchisees, we cannot and do not ensure that Brand Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Brand Fund contributions by Onyvva Spa Businesses operating in that geographic area. We do not guarantee or assure that any Onyvva Spa Business will benefit directly or in proportion to its Brand Fund contribution from the brand enhancement activities of the Brand Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

Local Advertising and Promotion

We will develop, on an annual basis, an advertising and marketing plan (the Plan") for use across the system and in your local community. You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. In addition to your Brand Fund contribution obligations described above, beginning with the first month your Onyvva Spa Business is open for business and lasting for the first 6 months of your Spa's operation, you must spend a minimum of \$2,000 per month to advertise and promote your Onyvva Spa Business. Thereafter, the monthly required spend is \$1,000 per month. This advertising and promotion includes such items as advertising, brochures, promotional items, printing, and copying services. You must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we may specify from time to time. We reserve the right to collect the required local advertising and marketing expenditures from you and to spend such amounts to implement the Plan for you. If you fail to expend the required minimum amount, then any amounts that you should have expended to reach the requirement must be contributed to the Marketing Fund at such times as we specify.

We reserve the right to establish or designate specialized, or regional, or special-focused advertising, marketing or media campaigns ("**Special Campaigns**") that may or may not involve you and/or other Onyvva Spa businesses. If we establish or designate a Special Campaign that is or will be applicable to you, you must participate in that campaign and contribute to the costs of the Special Campaign in the amounts and in the manner that we specify. Any amounts that you spend or contribute to or for the Special Campaign will be credited toward your required monthly local advertising and promotion spend.

Your local advertising and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks. You may not develop, maintain, or authorize, without our prior written approval, any Online Site that mentions or describes you or the Onyvva

Franchised Business or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. You may use direct advertising only directed to customers located within your Territory. We may specify third parties that you must use for the design and development of your local advertising; however you will be required to pay those third parties directly without any offset to your required local expenditure requirements.

Advertising Cooperatives

We encourage franchisees to develop and participate in informal advertising cooperatives and collective advertising and marketing programs in their respective market areas, however, currently there is no requirement for franchisees to participate in a local or regional advertising cooperative.

Advertising Council

Currently there is not advertising council composed of franchisees that advise us on advertising policies.

Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material, without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 20 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed an approval of your request. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Onyva Spa Business, those items or services must be included in your Gross Revenues and will be subject to Royalties and the Brand Fund Contributions. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Brand Fund.

Online Sites

In furtherance of our policies regarding Online Sites and the presence of the “Onyva” brand on the Internet, we have the right to establish, maintain, and modify one or more Online Sites that identify the “Onyva” brand, system, and businesses that operates under our Marks. We will establish webpages on one website that identify individual Franchised Businesses, and webpages will specifically identify and link to your Onyva Franchised Business (“Microsites”). You will have the ability to add content to your Microsite that describes your franchise and your local community. You will be able to customize your Onyva Spa Business’s Microsite to add events, local charitable activities, “About Us”, and blogs. The management and hosting of each Microsite and the Online Site will be managed by us or our designee. Our current website is identified as “www.onyvadogspa.com.” As long as we maintain an Online Site, we will have the right to use the Brand Fund assets to develop, maintain, and update the Online Site. We may update and modify the Online Site from time to time. You must promptly notify us whenever any information on your Microsite changes or is not accurate. We have final approval rights of all information on the Online Site. We may implement and periodically modify System Standards relating to the Online Site. We are only required to reference your Onyva Spa Business on the Online Site while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System standards, then we may temporarily remove references to your Onyva Spa Business from the Online Site until you fully cure the subject default(s). Our current website strategy, which we have the right to change from time to time, includes utilizing our website and various webpages for lead generation purposes, press releases, brand marketing, promotion, and dissemination of other information

related to the Onyva Spa Businesses. We have the right to establish, maintain, and modify different types of online properties including mobile versions of our Online Sites, and static and dynamic landing pages. Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish an Online Site relating in any manner whatsoever to the Franchised Business or referring to the Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Online Site. The term “**Online Site**” means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, mobile phones, social networking sites (e.g., Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, etc.), blogs, vlogs, applications to be installed on mobile devices (e.g., iPad or Droid apps), and other applications, etc.

Social Media Sites

We will establish Instagram and Facebook social media sites for your local Onyva Spa Business which you may use to market. With the exception of LinkedIn, no other social media providers shall be used to promote your Onyva Spa Business without our prior written approval. All social media posts are required to be approved in writing by us prior to publishing. Once created, each site must be properly branded using only templates provided by us. Posts not using our templates are prohibited. Each site must make use of approved logos and trademarks to represent the account. We reserve the right to require changes to all social media sites, content, and materials used on such sites should we find any content offensive, improper, or not in line with our standards or specifications. We reserve the right to require you to establish additional social media accounts and to participate and engage in additional social media as we see fit.

E-Mail, Internet, and Other Media

You must comply with our requirements (which are either described in the Operations Manual, System Standards or otherwise in writing) with respect to the transmission of all e-mails in connection with the Onyva Franchised Business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Onyva Franchised Business. These activities include participation in any Internet “blogs” or social networking sites. Any similar activities which are not expressly permitted in the Operations Manual or otherwise in writing, or for which you have not previously received our approval, will be subject to our approval of advertising as described above.

Lead Generation and/or Call Center

We reserve the right to provide, and/or contract with a third-party to develop and operate, a call center or other sales inquiry/sales generating service, and/or to provide or contract with third parties, including Internet-based marketing companies, to provide, lead generation services to our network of Onyva Franchised Businesses. Charges and fees for a call center and/or lead generation services may include one-time set-up fees per business, monthly fees, and/or per-call or per-lead fees. We expect that the fees charged will be to reimburse us for costs associated with these services, and/or to pay third parties for these services. We may require you to use the call center or lead generation services, or we may only recommend that you do. If you participate and use the call center or lead generation services, you must comply with all rules, policies, and requirements specified by the provider and us regarding such services. We reserve the right to add to, modify, or eliminate approved, recommended, or required products, services, or suppliers at any time.

Computer Systems

Virtually all aspects of your Onyva Spa Business’s operations will run through our multi-faceted proprietary software package, Onyva Solutions, which is provided to you as a component of your monthly Technology Fee. To ensure proper functioning of Onyva Solutions and to meet the operating standards as defined in

our System Standards, you must obtain and use the computer hardware, communications hardware, and software we specify (the “Computer System”). The Computer System must include the following components: ten (10) to thirteen (13) Wi-Fi enabled tablets (specific number of tablets based on the number of wash/dry stations in your Onyva Spa Business) and two computers – one desktop and second either a laptop or desktop. Additionally, we require your Onyva Spa Business to have the following: 1. POS hardware (i.e. cash drawer, printer) approved by us that will integrate with Onyva Solutions’ POS Software component (NOTE: Onyva is a cashless and paperless business where allowed by law. In states and jurisdictions where you may operate cashlessly, you are not required to purchase POS hardware); 2. High speed internet connection with sufficient bandwidth and a strong enough wifi connection to accommodate Onyva Solutions and other software packages as we may require you to use throughout your entire Onyva Spa Business; 3. Audio/music system; 4. a security system, including an audio and video surveillance system; 5. Telephone system with messaging; and 6. a multi-purpose printing/scanning tool. We may modify specifications for, and components of, the Computer System from time to time and at our sole discretion. It is solely your responsibility to keep your Computer System current and within the then System Standards. Further it is your sole responsibility to purchase or lease the necessary computer hardware and software required as part of the Computer System and to have it installed in accordance with applicable law, including without limitation privacy laws related to employee and customer data. You must maintain a Cyber Liability insurance policy that protects both you and us from any data breach. We may access the Computer System as we deem appropriate (including on a continual basis) and retrieve all information concerning your Onyva Franchised Business’s operation.

The Computer System is for use by you in connection with operational and management tasks of your Onyva Franchised Business. It allows us to receive information concerning your Onyva Franchised Business’s sales, financial performance, and provides you with consolidated sales along with periodic sales histories and gathers information on sales by different categories.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Onyva Spa Business, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Onyva Spa Businesses. This may include posting financial information of each franchisee on an intranet website. You must provide us access to your QuickBooks software, which will allow us to view all your financial data. We may access the electronic information and data from your Computer System remotely, in your Onyva Spa Business, or from other locations. There are no contractual limitations on our right to access your Computer System for information and data. (Section 2.4 of the Franchise Agreement). You must disclose to us any passwords or codes associated with the Computer System (Section 2.4 of the Franchise Agreement).

The Computer System must mirror our specifications. We estimate the cost to purchase the tablets and computers to be approximately \$4,700 to \$6,900. The audio system and video surveillance systems will cost approximately \$2,000. We have no obligation to reimburse you for any Computer System costs that you incur. You must incur the costs of obtaining the required service or support for your Computer System.

We, our affiliates or vendors may condition any license of proprietary software to you, or your use of technology that we, our affiliates or vendors develop or maintain, on your signing a software license agreement or similar document that we, our affiliates or vendors prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We and our affiliates or vendors may charge you a monthly or other fee for any proprietary software or technology that we, our affiliates or vendors license to you and for other maintenance and support services that we, our affiliates or vendors provide. You must pay to us a monthly Technology Fee. The Technology Fee is currently \$350 per month beginning on the signing of the Franchise Agreement and increases to \$675 per month, one month prior to Grand Opening, but is subject to change upon 30 days advance written notice. Currently, the Technology Fee includes: access to Onyva Solutions; Search Engine Optimization; the management of your local microsite; a license to access Onyva Solutions; Franconnect; and two full licenses to Microsoft 365 Business Standard. Additional Licenses will be available to Microsoft 365 Business Standard for

purchase at the prevailing rate. Once you sign your lease, we will create a store-specific email address for your location. You will receive two email addresses as part of the Technology Fee. Each subsequent email license will be charged on a monthly basis at Microsoft's prevailing rate.

You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, repairs and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You should be prepared to upgrade your computer hardware every three years due to improvements in the software, advances in technology, and memory requirements. There is no contractual limitation on the frequency and cost of this obligation. We estimate the annual cost of maintenance, updating, upgrading, or support for your Computer System to be \$1,000 per year. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might hamper or interfere with the operation of the Computer System in the manner we require. You are solely responsible for protecting yourself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures, or attacks. We reserve the right to modify our and your Computer System requirements, but will only do so upon sixty (60) days prior notice to you.

Manuals

The table of contents of our Operations Manual is attached as Exhibit F. The Operations Manual consists of 289 total pages.

ITEM 12 **TERRITORY**

You must operate the Onyva Franchised Business from the Premises identified in your Onyva Franchise Agreement and within your Territory. As discussed below, you will operate the Onyva Franchised Business within a "**Territory.**" You may only relocate your Franchised Business after receiving our prior written approval.

Territorial Rights

If you have not identified an approved location for your Onyva Spa Business when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. Under these circumstances, we will provide you a search area comprised of the zip codes designated in Attachment 1 of the Franchise Agreement. The search area will terminate at the earlier of: (a) our approval of your location; or (b) 180 days after signing the Franchise Agreement, which is the amount of time we give you to purchase or lease the site for your Onyva Spa Business. You may not search outside your search area without our written approval which we may revoke at any time. You may not search within the search area of another franchisee. If you are a Multi-Unit Developer, each Franchised Business and its Territory will be located within your Development Area.

You will receive a protected territory ("Territory") after you select, and we approve, a suitable site. During the term of the Franchise Agreement, except as described below under the subheading "Rights We Reserve Under the Franchise Agreement," neither we nor any affiliate will establish a company-owned or franchised Onyva Spa selling the same or similar products or services under the same or similar trademarks or service marks within your Territory. Once your site is determined, we will designate a geographic area which will be your Territory. Your protected territory will either encompass a population of approximately 100,000 people or, in less densely populated areas, an area drawn with a diameter of approximately 4-6 miles with your site being the center. Ultimately each territory will be determined by us factoring in the unique

qualities of each location. Depending on your site, you may have multiple zip codes, a singular zip code, a piece of a zip code or an overlap with pieces of multiple zip codes. Your Territory will be identified in an attachment to your Franchise Agreement. The Territory may be defined by city or county limits, zip code areas, street boundaries or other geographic boundaries. Your protected Territory is not dependent upon achievement of a certain sales volume, market penetration or any other contingency. If you renew your Onyva Franchised Business, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories.

If you desire to move or relocate your Onyva Spa Business, you must provide us a written request for relocation and a detailed reason for relocation. You must receive our prior written approval before you can relocate. Any proposed move must be within your Territory, and a relocation will be subject to the same criteria, conditions, and procedures as we have established (and may in the future modify) for the initial approval of the Onyva Spa Business and all expenses related to relocation shall be your responsibility.

You are prohibited from directly marketing to and using other marketing strategies and distribution channels such as the Internet, via apps, social media, catalogs and other direct sales methods, to or through retail and wholesale outlets, and co-branding with other outlets with the express intent of soliciting customers whose principal residence is outside of your Territory without our written permission, but customers may use your Onyva Spa Business that reside anywhere. The Franchise Agreement will refer to a specific Territory. Unless you have signed our Multi-Unit Development Agreement, we may, but have no obligation to, consider granting to you the right to establish additional Onyva outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Onyva outlet in an area and at a location we approve. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

Rights We Reserve Under the Franchise Agreement

As noted above, and as specified in the Franchise Agreement, we will not establish or license others to establish a Onyva Franchised Business in the Territory during the term of the Franchise Agreement so long as you are in compliance with the Franchise Agreement. We do not operate or plan to operate or franchise businesses under a different trademark that will sell similar goods or services to those of the franchisee. However, and despite those promises and obligations, we and our affiliates retain all rights with respect to Onyva Franchised Businesses, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including:

(a) the right to operate, and to grant others the right to operate, Onyva Franchised Businesses and similar businesses under different names or marks located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Premises or the Territory;

(b) the right to establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are not the same as or similar to the products or services offered at Onyva Franchised Businesses, through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks (including other trademarks or service marks owned by us and any of our affiliates) and on any terms and conditions we deem appropriate;

(c) the right to acquire the assets or ownership interests of one or more businesses that operates, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with Onyva Franchised Businesses, and/or the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competing business, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory; provided, however, that if we or one of our affiliates acquire such a competing business or chain, we or our affiliates will not establish or grant franchises or licenses to

establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory. Any business operations of the same or similar business that existed or operated at the time of such acquisition or transaction will not constitute a breach of Section 1.2 of the Franchise Agreement;

(d) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Onyva Franchised Businesses, and the services and products offered, and authorize others to do so, and those materials may appear in media, including, without limitation, the Internet or similar electronic media, or be received by prospective customers located anywhere, including within the Territory; and

(e) to market and distribute Onyva products and products under other brands we control both within and outside your Territory using marketing strategies and distribution channels such as the Internet, via apps, social media, catalogs and other direct sales methods, to or through retail and wholesale outlets, and co-branding with other outlets, etc. Through these marketing strategies and distribution channels we may sell similar products or services in your Territory under the same or different trademark, without compensation to you.

ITEM 13 **TRADEMARKS**

We grant you the right to use certain Marks under the Franchise Agreement. We own the registrations and applications for the following Marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	Class	Registration Number	Registration Date	Register
Onyva	35, 44	6,903,004	11/15/2022	Principal
Onyva	03, 21	Filing No.90/626,345	Pending	Principal

We expect and intend to file all required affidavits with the USPTO for the Principal Marks above, as and when they become due and have filed all required affidavits to date. There are no agreements in effect which significantly limit our rights to use or license the Marks in any state in a manner material to the franchise. Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the Franchised Business according to the Franchise Agreement and all System Standards we prescribe during its term.

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

You must follow our rules when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in your Onyva Spa Business that you are an independently owned and operated licensed franchisee of Onyva Franchising, LLC. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of your Onyva Spa Business, or any interest in the franchise.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Onyva Franchised Business's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

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

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks.

We know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14 **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Patents

No patents are material to the Onyva Franchised Business or your operation of the Onyva Franchised Business. We do not have any pending patent applications that are material to the franchise.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of Onyva Spas Businesses, including advertising and promotional materials, the Operations Manual, and similar materials (discussed below). We have not registered the materials with the United States Register of Copyrights, but we are not required to do so. We may register any of these items or copyrightable materials in the future.

There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliate will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute those documents (and, if necessary, require your independent contractors to execute those documents) that may be deemed reasonably necessary by us to give effect to this requirement.

Confidential Information

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”), concerning developing and operating Onyva Spa Businesses, including, but not limited to, site selection and territorial criteria; training and operations materials and manuals; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Onyva Spa Businesses; marketing and advertising programs for Onyva Spa Businesses; employee recruitment, training, retention programs; knowledge of specifications for and suppliers of Operating Assets, and other products; any computer software or similar technology which is proprietary to us or the Franchise System (i.e. Onyva Solutions), including, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; knowledge of the operating results and financial performance of Onyva Spa Businesses other than the Franchised Business; and graphic designs and related intellectual property.

You will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Franchised Business during the Franchise Agreement’s term, and that Confidential Information is proprietary and is disclosed to you only on the condition that you: (1) will not use Confidential Information in any other business or capacity; (2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Franchise Agreement’s term and after the term for as long as the item is not generally known in the dog grooming industry; (3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Franchised Business personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. There may be, however, certain limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Operations Manual.

We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already was generally known in the dog grooming industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the dog grooming industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

Confidential Manuals

We will loan you during the term of the Franchise Agreement one copy of our Operations Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. Any required specifications, standards, and/or operating procedures exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to you.

You must keep your copy of the Operations Manual current and in a secure location at the Onyva Franchised Business or in a protected and encrypted online storage facility. If there is a dispute over its contents, our master copy of the Operations Manual controls. The Operations Manual’s contents are confidential and you may not disclose the Operations Manual to any person other than Onyva Franchised Business

employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, you must obtain a replacement copy from us. We may assess you our then applicable printing or copying charge. This charge is for our direct costs, and is not related to any value that we place on the Confidential Information.

At our option, we may post some or all of the Operations Manual on a restricted Online Site or extranet to which you will have access. If we do so, you must monitor and access the Online Site for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on an Online Site will be deemed to be part of Confidential Information.

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

Your Onyva Spa Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a ten percent (10%) ownership interest and voting power in the entity (“Managing Owner”). Under certain circumstances, we may allow you to appoint an Operating Principal (“Operating Principal”). The Operating Principal is paid professional manager who runs the day-to-day operations of your Onyva Spa Business. If we allow you to appoint an Operating Principal, we must approve the Operating Principal, and they must successfully complete our training program. If you replace an Operating Principal, the new Operating Principal must meet our approval and satisfactorily complete our training program at your own expense.

Any Operating Principal and, if you are an entity, any owner of more than a ten percent (10%) interest in franchisee; and directors, officers, and management employees that do not own equity in the franchisee entity must sign the Personal Covenants, the form of which is attached to the Franchise Agreement as Attachment 5. All your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed the Personal Covenants). If you are an entity, each direct or indirect owner (i.e., each person holding a direct or indirect ownership interest in your Onyva Spa Business) must sign Guaranty and Assumption of Obligations guarantying the obligations of the entity, the form of which is attached to the Franchise Agreement as Attachment 4. We also require that the spouses of the Franchise owners, should there be any, sign the Guaranty and Assumption of Obligations.

You must keep us informed at all times of the identity of any Operating Principal, or any person serving in a supervisory role, including those persons serving as Spa Managers.

The Managing Owner or your Operating Principal must manage and provide general oversight of the Onyva Spa Business on a full-time basis. The Managing Owner or Operating Principal, as applicable, will be charged with the responsibility for direct supervision of the Onyva Spa Business staff. Your failure to have your Onyva Spa Business managed on a full-time basis by the Managing Owner or your Operating Principal is a default for which we may terminate the Franchise Agreement if the default persists for thirty (30) days after notice from us.

If you (or if you are an entity, your Operating Principal) own or control more than one Onyva Spa Business, each individual Onyva Spa Business you own must be under the direct on-premises supervision of you or an appointed Operating Principal, who must comport with the standards laid out above in this Item 15. This includes, but is not limited to, completion of our training programs. The Managing Owner may supervise and have responsibility for the Operating Principals at each location.

The Managing Owner/Operating Principal will be the person with whom we will communicate on all major

policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for your entity. You may not change the Managing Owner/Operating Principal without our prior written consent.

The Managing Owner (or your Operating Principal, and/or Spa Manager) must satisfactorily complete New Owner Training. If the Managing Owner (or your Operating Principal and Spa Manager) fail to complete the New Owner Training to our satisfaction, then they may repeat the course or send a substitute to complete the next available training program. We reserve the right to charge you for substitute personnel that attend the next training program. Additionally, if we determine that the Managing Owner (or your Operating Principal or Spa Manager) cannot complete New Owner Training to our satisfaction, we have the right to terminate this Agreement, and if we do, you and we will sign mutual releases.

All management personnel, and any other personnel that we designate, must receive our certification(s) (should such be required), prior to managing the Onyva Spa Business or training any Onyva Spa Business personnel. We may, at any time during the term of the Franchise Agreement, decertify any previously certified personnel if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete the training or re-training program to receive our certification. We reserve the right to charge for training personnel that have been decertified.

You will have sole discretion regarding all employment decisions and matters relating to your personnel, including, without limitation, hiring, firing, discipline, compensation, benefits, personnel policies, recordkeeping, supervision, and scheduling, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such actions and decisions will not be, nor be deemed to be, a decision or action of ours.

You may replace an Operating Principal and/or Spa Manager (if applicable and if any) from time to time. Should such become necessary, the individuals selected by you must be approved by us and satisfactorily complete our New Owner Training program within thirty (30) days after being designated as Operating Principal or Spa Manager, whichever is appropriate. You will pay all travel and living expenses which you and your employees incur during all training courses and programs. Your Operating Principal (if any) must sign a confidentiality and non-compete agreement, in a form that is acceptable to us, which will contain covenants similar to those described in Items 14 and 17.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide all services and products that we specify from time to time. You must offer and sell approved services and products only in the manner we have required. You must not offer for sale or sell at or from the Onyva Franchised Business or any other location any services or products we have not approved. You will discontinue selling and offering for sale any services or products that we at any time decided (in our sole discretion) to disapprove in writing. We have the right to change the types of authorized goods or services and there are no limits on our right to make such changes. We may establish one or more arrangements with lead sharing or lead generation services vendors or our affiliates. We recommend that you use these services, but we do not require you to do so.

We generally do not restrict the persons you solicit, or the methods by which you promote the Onyva Franchised Business. However, if you utilize any form of direct advertising to solicit customers, the advertising may be directed only to customers within your Territory.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 1.3 of the Franchise Agreement	Term expires 10 years after opening date of the Onyva Franchised Business.
b. Renewal or extension of the term	Sections 13.1 and 13.2 of the Franchise Agreement	2 additional 10-year successor terms.
c. Requirements for you to renew or extend	Section 13.1 of the Franchise Agreement	Substantial compliance; notice; maintain or substitute Premises; signing of then-current successor franchise agreement; release; pay a successor franchise fee of twenty five percent (25%) of the then-current franchise fee. If you seek to renew your franchise at the expiration of the initial term, you will be asked to sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements.
d. Termination by franchisee	Not applicable	Not applicable. Subject to state law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Sections 14.1, 14.2 and 14.3 of the Franchise Agreement; Article 7 of the Multi-Unit Development Agreement	We can terminate your agreement if you only if you default or fail to comply with your obligations.
g. "Cause" defined – curable defaults	Sections 14.2 and 14.3 of the Franchise Agreement; Article 7 of the Multi-Unit Development Agreement	Failure to open Onyva Franchised Business within specified time period; failure to maintain required licenses; failure to maintain required insurance; failure to pay amounts due; and other grounds.

Provision	Section in franchise or other agreement	Summary
h. “Cause” defined - non-curable defaults	Sections 14.1 and 14.2 of the Franchise Agreement; Article 12 of the Multi-Unit Development Agreement	Bankruptcy; insolvency; misuse of our Marks; transfer in violation of the Franchise Agreement, material misrepresentation on application for a Onyva Franchised Business, cross-termination; and other grounds.
i. Franchisee’s obligations on termination/nonrenewal	Section 15 of Franchise Agreement; Article 7 of the Multi-Unit Development Agreement	Cease use of Marks; payment of amounts due; return of Operations Manual and Confidential Information; cease operating Onyva Franchised Business, and others.
j. Assignment of contract by franchisor	Section 12.1 of Franchise Agreement; Article 11 of the Multi-Unit Development Agreement	We may assign the Franchise Agreement without limitation.
k. “Transfer” by franchisee – defined	Section 12.2 of Franchise Agreement; Article 6 of the Multi-Unit Development Agreement	Includes transfer of any interest.
l. Franchisor approval of transfer by you	Section 12.6 of Franchise Agreement; Article 11 of the Multi-Unit Development Agreement	Our consent to a transfer is not a waiver of any claims we have against you.
m. Conditions for franchisor approval of transfer	Section 12.3 of Franchise Agreement; Article 6 of the Multi-Unit Development Agreement	Our approval of transferee; sign then-current franchise agreement; payment of transfer fee (waived under certain circumstances); release; and others.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 12.8 of the Franchise Agreement	We have the right of first option, if you determine to sell or transfer your interest in the Franchise Agreement.
o. Franchisor’s option to purchase franchisee’s business	Section 15.5 of the Franchise Agreement	We have the right upon termination or expiration to purchase all your assets from the Onyva Franchised Business at a purchase price equal to their fair market value.
p. Death or disability of franchisee	Section 12.5 of the Franchise Agreement	Your estate must transfer your interest in the Onyva Franchised Business to a third party we approve, within 6 months after death or disability. Your estate must appoint a manager within 15 days of death or disability and an Operating Principal (or Managing Owner, if applicable) within 60 days after death or disability.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 7 of Franchise Agreement; Article 9 of the Multi-Unit Development Agreement	Includes a prohibition on engaging in Competitive Business (defined in Section 7 of the Franchise Agreement), including any or any other product or services that is similar to the services and products authorized to be offered or sold under the Marks and the System. This is subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.4 of the Franchise Agreement; Article 9 of the Multi-Unit Development Agreement	Includes a two-year prohibition on a Competitive Business within the Territory, within 10 miles of the border of the Territory, and within the Territory of any other Onyva Spa Business operating or under construction. This is subject to state law.
s. Modification of the agreement	Section 17.10 of the Franchise Agreement; Article 6 of the Multi-Unit Development Agreement	The Franchise Agreement may only be modified by written agreement signed by both parties.
t. Integration/merger clause	Section 17.13 of the Franchise Agreement; Article 6 of the Multi-Unit Development Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.5 of the Franchise Agreement; Article 10 of the Multi-Unit Development Agreement	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). This is subject to state law.
v. Choice of forum	Section 17.7 of the Franchise Agreement; Article 10 of the Multi-Unit Development Agreement	We must litigate in the state and judicial district where we maintain our principal place of business, subject to state law. Currently, our principal business address is in Danvers, Massachusetts.
w. Choice of law	Section 17.6 of the Franchise Agreement; Article 10 of the Multi-Unit Development Agreement	Massachusetts, subject to state law

See the state addenda to this Franchise Disclosure Document for special state disclosures.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Presented below are the actual, historical gross revenue figures for our affiliated owned Onyva Spa Business, Mulman Dog Wash, LLC.

GROSS REVENUE FOR MULMAN DOG WASH, LLC

Table No. 1

PERIOD	GROSS REVENUE
January 1, 2024 – December 31, 2024	\$1,092,558

Table No. 2

	1st Month of Period	12th Month of Period
Average Revenue Per Transaction	\$148.18	\$159.90
Median Revenue Per Transaction	\$150	\$170.00
Highest Revenue Per Transaction	\$468.75	\$498.20
Lowest Revenue Per Transaction	\$0	\$0

Table No. 3

	January 1, 2024 – December 31, 2024
Total Number of Dogs Serviced	6964
Average Number of Dogs Serviced Per Day	22.50
Average Revenue Per Dog Serviced	\$157.53

Explanations and Notes:

“Gross Revenue” – This represents the actual gross revenue for our affiliated owned Onyva Spa Business for the period of January 1, 2024 – December 31, 2024. Included in gross revenue are all revenues from the offer and sales of all services and products to customers of our affiliated owned Onyva Spa Business.

Table No. 2 compares the average and median revenue per transaction during the first month of the period January 1, 2024 to December 31, 2024 and the twelfth month of the period January 1, 2024 to December 31, 2024 for our affiliated Onyva Spa Business.

“Average Revenue Per Transaction” means the total revenue, including services and product sales, during the first/twelfth month of operation of our affiliated owned Onyva Spa Business divided by the number of customer visits during the first/twelfth month of operation of our affiliated owned Onyva Spa Business.

“Median Revenue Per Transaction” means the revenue per transaction for which one-half of the sample had revenue per transaction greater than such figure and one-half of the sample had less than such figure.

Note that our affiliate owned Onyva Spa Business was opened for business on April 28, 2022. There were no other affiliate owned or franchised Onyva Spa Businesses operating near the location of Mulman Dog Wash, LLC during the period of January 1, 2024 through December 31, 2024. This affiliate-owned outlet is similar to the franchise being offered under this Disclosure Document in terms of operations and product offerings, except that this outlet is equipped with one additional dog wash and drying station and is approximately 1,950 square feet in size. There are no other material financial or operational characteristics of the above affiliate-owned outlets that are reasonably anticipated to differ materially from future franchise outlet operations. You may be competing with other franchised or affiliate owned Onyva Spa Businesses for the same customers depending on how close your Onyva Spa Business is to other franchised or affiliate owned Onyva Spa Businesses.

The chart does not include any estimate of, or specific or historic data regarding, costs, expenses or debts that franchised businesses have incurred, or may in the future incur. This Item 19 financial performance representation does not include net income or profit.

Table No. 3 delineates the number of dogs serviced for the period January 1, 2024 – December 31, 2024 and the average revenue per transaction for that period. Note: our affiliate business was open for 310 days during the period January 1, 2024 – December 31, 2024.

* * *

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

Written substantiation for the data described in the table will be made available by us to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Merritt Mulman, CEO, Onyva Franchising, LLC, 153 Andover Street, Suite 203, Danvers, MA 02116, 1-617-597-4959, 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 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company – Owned*	2022	0	1	+1
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	0	1	+1
	2023	1	1	0
	2024	1	1	0

*Our company-owned outlet is operated by our affiliated entity.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminatio ns	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company Owned* Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Massachusetts	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

*Our company-owned outlet is operated by our affiliated entity.

Table No. 5
Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Florida	2	1	1
New York	0	1	1
Total	0	2	2

A list of the names of all franchisees and the addresses and telephone numbers of the franchises will be provided in Exhibit D to this disclosure document when applicable.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

ITEM 21 **FINANCIAL STATEMENTS**

Exhibit E contains our audited financial statements for the years ended December 31, 2024, December 31, 2023, and December 31, 2022. Also attached are our unaudited financial statements as of February 28, 2025.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document:

- Franchise Agreement (Exhibit A).
- Multi-Unit Development Agreement (Exhibit B)
- General Release (Exhibit H).
- Franchisee Compliance Certification (Exhibit I).

ITEM 23
RECEIPTS

A receipt in duplicate is attached to the end of this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your records and return the other signed copy to Please return signed receipt to Merritt A. Mulman, Onyva Franchising, LLC, 153 Andover St., Suite 203, Danvers, MA 01923

EXHIBIT A
FRANCHISE AGREEMENT

ONYVA FRANCHISING, LLC
FRANCHISE AGREEMENT

FRANCHISEE

EFFECTIVE DATE

TERRITORY & OFFICE ADDRESS

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ONYVA FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of the _____ day of _____, 20__ (the “**Effective Date**”) (regardless of the dates of the parties’ signatures) by and between:

- **ONYVA Franchising, LLC** a Massachusetts limited liability company, with our principal business address at 153 Andover Street, Suite 203, Danvers, Massachusetts 02116 (“**we**”, “**us**”, “**our**” or “**Franchisor**”), and
- _____, whose principal business address is _____ (“**you**”, “**your**”, or “**Franchisee**”).

PREAMBLES AND BACKGROUND

A. We and our affiliates, as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) a system relating to the establishment and operation of a customer-focused (canine and human), high-touch, service-based dog grooming spa (the “**System**”).

B. These dog grooming spa businesses operate under the “Onyva” name and Marks (defined below) and the System (“**Onyva Spa Business(es)**”, “**Onyva Franchised Business(es)**”, or “**Franchised Business(es)**”). The Onyva Spa Businesses and System have distinctive characteristics which currently include, without limitation, dog grooming services that are based on the best practices for each individual dog breed; procedures for operations; quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications, all of which we may change, improve, and further develop from time to time.

C. We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark “ONYVA” in operating Onyva Spa Businesses, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Onyva Spa Businesses (collectively, the “**Marks**”).

D. We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an Onyva Spa Business using our System and Marks.

E. You have applied for a franchise to own and operate a Onyva Spa Business, and you, as the franchisee that will operate the franchised business, must comply with this Agreement and all System Standards (as defined below in Section 4.4) in order to maintain the high and consistent quality that is critical for Onyva Spa Businesses.

1. GRANT OF FRANCHISE; TERRITORY

1.1 Grant of Franchise

You have applied for a license to own and operate an Onyva Spa Business at the location identified on Attachment 1 (the “**Premises**”), and in the area identified in Attachment 1 (the “**Territory**”). If you have not identified the Premises, and received our written approval of the Premises before you sign this Agreement, the Premises will be identified and included on Attachment 1 as described in Section 1.2. Subject to this Agreement’s terms, we grant you the right and license (the “**Franchise**”) to operate a Onyva Spa Business in the Territory, and to use the System in its operation, for a term beginning on the Effective Date and expiring ten (10) years from the opening date of the Onyva Franchised Business, or five (5) years from the opening date of the Onyva Franchised Business if you are buying an existing Onyva Spa Business (re-sale/transfer) (the “**Initial Term**”), unless sooner

terminated as provided herein. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently and to use your best efforts to promote the Onyva Franchised Business.

1.2 Territorial Rights

If you have not identified an approved location for your Onyva Spa Business when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. Under these circumstances, we will provide you a search area comprised of the zip codes designated in Attachment 1 of the Franchise Agreement. The search area will terminate at the earlier of: (a) our approval of your location; or (b) 180 days after signing the Franchise Agreement, which is the amount of time we give you to purchase or lease the site for your Onyva Spa Business. You may not search outside your search area without our written approval which we may revoke at any time. You may not search within the search area of another franchisee.

Once your Premises location has been identified, we will describe the Territory in Attachment 1. Except as provided for by Sections 1.3 and 1.4 below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate or grant a franchise for the operation of another Onyva Spa Business, or a similar business that operates under a different mark or trade name, that has its premises at a location within the Territory, during the Initial Term of this Agreement. The Territory may be defined by city or county limits, zip code areas, street boundaries or other geographic boundaries. You are prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Territory without our written permission, but customers may use your Onyva Spa that reside anywhere. If you renew your Onyva Franchised Business, your Territory may be modified depending on the then-current demographics of the Territory, and on our then-current standards for territories.

1.3 Rights We Reserve

Except as expressly limited by Section 1.2 above, we and our affiliates retain all rights with respect to Onyva Spa Businesses, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

- (a) the right to operate, and to grant others the right to operate, Onyva Franchised Businesses and similar businesses under different names or marks located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Premises or the Territory;
- (b) the right to establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are not the same as or similar to the products or services offered at Onyva Franchised Businesses, through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks (including other trademarks or service marks owned by us and any of our affiliates) and on any terms and conditions we deem appropriate;
- (c) the right to acquire the assets or ownership interests of one or more businesses that operates, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with Onyva Franchised Businesses, and/or the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competing business, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory; provided, however, that if we or one of our affiliates acquire such a competing business or chain, we or our affiliates will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory. Any business operations of the same or similar business that existed or operated at the time of such acquisition or transaction will not constitute a breach of Section 1.2 of the Franchise Agreement;

(d) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Onyva Franchised Businesses, and the services and products offered, and authorize others to do so, and those materials may appear in media, including, without limitation, the Internet or similar electronic media, or be received by prospective customers located anywhere, including within the Territory; and

(e) to market and distribute Onyva products and products under other brands we control both within and outside your Territory using marketing strategies and distribution channels such as the Internet, via apps, social media, catalogs and other direct sales methods, to or through retail and wholesale outlets, and co-branding with other outlets, etc. Through these marketing strategies and distribution channels we may sell similar products or services in your Territory under the same or different trademark, without compensation to you.

1.4 Territorial Sales

You understand and agree that you have the right and obligation to diligently and actively solicit and service customers in your Territory, and that the efficient operation of the System is dependent upon franchisees and other operators of Onyva Spa Businesses, including us and our affiliates, complying with our policies regarding intra- and inter-territorial sales and servicing efforts. Your area of primary responsibility will be your Territory. All media advertising and direct mail marketing that you undertake must be predominantly focused on media distributed in, or to prospective customers located in, your Territory.

1.5 Modification of System

You understand and agree that we may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, to vary System Standards (defined below in Section 4.4) for any franchisee or any franchised Onyva Spa Business based upon the peculiarities of any condition that we consider important to that franchisee's or Onyva Spa Business's operation. You may request that we grant you a variation or accommodation, but we have no obligation to do so.

1.6 Corporation, Limited Liability Company, or Partnership

If you are at any time a corporation, limited liability company, or general or limited partnership (collectively, an “**Entity**”), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation.

(2) You will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our approval.

(3) Your organizational documents, operating agreement, partnership agreement, or stock certificates, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions.

(4) Attachment 2 to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(5) Each of your owners will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is at Attachment 4. Subject to our rights and your obligations

under Section 12, you and your owners agree to sign and deliver to us a revised Attachment 2 to reflect any permitted changes in the information that Attachment 2 now contains;

(6) Each of your owners holding over ten percent (10%) ownership interest, directors, officers and managers will execute the Personal Covenant form which is attached hereto as Attachment 5.

(7) You will appoint a shareholder, member, or partner, as applicable, to be your “Managing Owner” or under certain circumstances we may allow you to appoint an “Operating Principal,” responsible for overseeing and supervising the operation of the Franchised Business. The Managing Owner or Operating Principal, as of the Effective Date, is identified in Attachment 2. The Managing Owner or Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person from your Entity that we will recognize as having authority to communicate for and on your behalf and on behalf of your Entity. You may not change the Managing Owner or Operating Principal without our prior written consent; and

(8) The Onyva Franchised Business and other Onyva Spa Businesses, if applicable, will be the only businesses that the Entity may operate, and your organizational documents must reflect this (although the owners in the Entity may have other business interests subject to any restrictions on competitive businesses in Section 7 or Section 15.4).

2. OPENING OF FRANCHISED BUSINESS, OFFICE APPROVAL, LEASE OF PREMISES, AND DEVELOPMENT

2.1 Office Approval

You must operate the Onyva Spa Business from an approved location. Your Onyva Spa Business site must contain signage. You must obtain our written approval of the proposed Onyva Spa Business location before signing any lease, sublease, or other document for the site.

We will provide you with certain recommended or required specifications for your Onyva Spa Business. We reserve the right to designate one or more site selection and/or real estate service suppliers to provide such services to you. If so, you must use it and the expense for site selection and/or real estate services will be your responsibility. If we have completed any research on the market area that you are considering, we will provide you with it for information and background purposes only. You should verify all information provided.

We will use reasonable efforts to approve or disapprove the proposed site within thirty (30) days after your request for our approval. Upon our approval of your Onyva Spa Business site, and after you secure the site, we will insert its address into the Franchise Agreement, and it will be the official location of your Onyva Spa Business. You may operate the Onyva Spa Business only from the approved Onyva Spa Business site identified in your Franchise Agreement. You must purchase or lease, at your expense, the site for your Onyva Spa Business within one hundred and eighty (180) days after signing the Franchise Agreement. If you are unable to purchase or lease a site for your Onyva Spa Business within that period, you must file for an extension from us. We may grant you one extension to the deadline for purchasing or leasing a site at our sole discretion.

If you desire to move or relocate your Onyva Spa Business, you must provide us a written request for relocation and a detailed reason for relocation. You must receive our prior written approval before you can relocate. Any proposed move must be within your Territory, and a relocation will be subject to the same criteria, conditions, and procedures as we have established (and may in the future modify) for the initial approval of the Onyva Spa Business and all expenses related to relocation shall be your responsibility.

You acknowledge and agree that, if we recommend or give you information regarding the Territory, or a site for the Premises, and if we approve a site location, our advice, action, or information is not a representation or

warranty of any kind, express or implied, of the location's suitability for a Onyva Spa Business or any other purpose. Our recommendation indicates only that we believe that the location meets our then-acceptable criteria. Applying criteria that have appeared effective with other premises might not accurately reflect the potential for all premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of any premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if any premises we recommend or approve fail to meet your expectations. You acknowledge and agree that your acceptance of the Franchise is based on your own independent investigation of the Territory and the location. You acknowledge and agree that our location selection assistance is primarily for our benefit and not for your benefit.

2.2 Franchised Business Development

You are responsible for developing the Onyva Franchised Business. We will give you mandatory and suggested specifications and layouts for your Onyva Spa Business at the Premises, including recommended size and design and required or recommended fixtures, equipment, and signs. You are responsible for compliance with any and all federal, state, or local laws, codes, and regulations. You must contract with FC Dadson who will function as your construction project manager. FC Dadson will coordinate with you all aspects of the construction process including submitting to us for approval all architectural, engineering and construction drawings and site plans, before you begin construction of your Onyva Spa Business. You are responsible for the costs of construction and remodeling. We will provide you with specifications for furniture, fixtures, equipment, inventory, and supplies required for the operation of your Onyva Spa Business as well as a list of names and addresses of required or approved suppliers, manufacturers, and distributors.

You agree to do the following, at your own expense, to develop the Franchised Business at the Premises:

- (1) secure all financing required to develop and operate the Onyva Franchised Business (we will not provide you with any financing for Onyva Franchised Business development);
- (2) obtain all required building, utility, sign, occupancy, business, and other permits and licenses;
- (3) construct all required improvements to the Premises and furnish and decorate the Onyva Franchised Business according to our approved plans and specifications;
- (4) obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services; and
- (5) purchase or lease, and install, all required fixtures, furniture, equipment (including a required or recommended computer, facsimile, and point-of-sale information system), furnishings, and signs (collectively, "**Operating Assets**") for the Onyva Franchised Business.

2.3 Operating Assets

You agree to use in operating the Onyva Franchised Business only those Operating Assets that we approve for Onyva Spa Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

2.4 Computer System

You agree to obtain and use the computer hardware and/or operating software and/or communications capabilities we specify from time to time (the "**Computer System**"). We may modify specifications for and

components of the Computer System. You also agree to maintain a functioning email address. You agree to obtain high-speed communications access, such as broadband or DSL, or other high-speed capacity that we may specify. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and required service or support. We or our affiliates may retain a third-party provider, or an Applications Service Provider (or ASP) to provide some or all of the service and support for your benefit or the benefit of Onyva Spa Businesses, and we may pay a service or ASP hosting fee. You must pay our then-current fee for certain information technology related costs and e-mail accounts (the "**Technology Fee**"). The Technology Fee is currently \$350 per month beginning on the signing of the Franchise Agreement and increases to \$675 per month, one month prior to Grand Opening, but is subject to change upon 30 days advance written notice

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Onyva Spa Business, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Onyva Spa Businesses. This may include posting financial information of each franchisee on an intranet website. You must provide us oversight access to your Computer System, including its systems, software, and web-based payment processing and bookkeeping accounts that permit us to independently and electronically access and retrieve any information stored in the POS System, other computer systems and web-based payment processing and bookkeeping accounts, including, without limitation, and which will allow us to view all your financial data. We may access the electronic information and data from your Computer System remotely, in your Onyva Spa Business, or from other locations. There are no contractual limitations on our right to access your Computer System for information and data. You must disclose to us any passwords or codes associated with the Computer System.

You agree that we, our affiliates, or vendors may condition any license of proprietary software to you, or your use of technology that we, our affiliates, or vendors develop or maintain, on your signing a software license agreement or similar document that we, our affiliates, or vendors prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates or vendors may charge you a monthly or other fee for any proprietary software or technology that we, our affiliates, or vendors license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's term. The current Technology Fee is set forth in Attachment 1. In addition, we may provide you with software that will enable us to pull existing financial information through your other accounting software, and that will help you with financial modeling. This is software that you will load and maintain on your Computer System and that we will pay for.

Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might hamper or interfere with the operation of the Computer System in the manner we require. You are solely responsible for protecting yourself from disruptions, internet access failures, internet content failures, and attacks by hackers and other unauthorized intruders, and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures, or attacks.

Data that we reasonably believe to be necessary or desirable for the operation of an Onyva Spa Business is or may be currently stored in software programs that we provide to you. We reserve the right to modify our and your Computer System requirements but will only do so upon sixty (60) days prior notice to you.

2.5 Opening of Franchised Business

You agree not to open the Franchised Business until:

- (1) we notify you in writing that the Onyva Franchised Business meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Onyva Franchised Business complies with any licensing, labor, building, fire, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);
- (2) you have received all required state and local government certification, permits, and licenses necessary for the operation of a Onyva Spa Business, including any required licenses and certifications for your personnel;
- (3) you (or your Managing Owner/Operating Principal), your Spa Manager, and other managers and personnel (if any) have satisfactorily completed New Owner Training;
- (4) you pay the initial franchise fee and other amounts then due to us;
- (5) you have executed all agreements required prior to the opening of the Onyva Franchised Business, including, but not limited to, the Agreement, the Lease, and any software license agreements;
- (6) you are not in default under or in violation of any agreements by and between you and us or any of our affiliates or suppliers; and
- (7) you give us all certificates, endorsements and other documentation we request for all required insurance policies.

Subject to your compliance with these conditions, and except as we may otherwise approve, you agree to open the Onyva Franchised Business for business not later than six (6) months after execution of a lease for your Premises or closing on the purchase of your Premises, whichever is applicable. We will issue you a commencement of operation letter on the day (the “**Opening Date**”) we approve your compliance with these obligations.

3. FEES

3.1 Initial Franchise Fee

You agree to pay us a nonrecurring initial franchise fee, in the amount set forth in Attachment 1. This fee is due, and fully earned by us, when you sign this Agreement. The initial franchise fee is nonrefundable. If you are signing this Agreement as part of buying an existing Onyva Spa Business (re-sale/transfer) then you will not be required to pay an initial franchise fee.

3.2 Royalty Fee; Minimum Royalty Fee

You agree to pay us, in the manner provided below (or as the Operations Manual otherwise prescribes), a Royalty Fee (the “**Royalty Fee**”) equal to the percentage set forth on Attachment 1 of the Onyva Spa Business's Gross Revenues (defined in Section 3.3 below). The Royalty Fee must be transmitted in the manner we specify, which may include, as provided for in Section 3.6, an automatic, electronic debit of funds on a weekly basis, by or before the Wednesday immediately following the previous weekly period (with each week beginning on a Sunday and ending on a Saturday), based on the Gross Revenues from the preceding week period. In addition, on or before the Wednesday following the weekly period, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Onyva Spa Business's Gross Revenues for the preceding week period.

3.3 Definition of “Gross Revenues”

As used in this Agreement, the term “**Gross Revenues**” means all revenue that you bill/invoice (whether or not collected), plus all other amounts you derive, from operating the Onyva Franchised Business, including, but not limited to, all services and products sold, all amounts that you charge, invoice, or receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and bona fide refunds to customers.

3.4 Late Fees and Interest

All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. Additionally, you must pay us a late fee of \$100 for each occurrence that you fail to make timely payment hereunder or fail to provide us a report in a timely manner. We may debit your bank account automatically for late fees and interest. If any payment you make is rejected due to insufficient funds, stop payment, or any similar event, you shall pay us a \$100 insufficient funds fee. You acknowledge that this Section 3.4 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.

3.5 Application of Payments

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates or key suppliers against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.6 Method of Payment

Before the Onyva Franchised Business opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty Fee, Brand Fund contributions (defined below in Section 9.2), and other amounts due under this Agreement and for your purchases from us and/or our affiliates (the “**Electronic Depository Transfer Account**” or “**EDTA**”). Our current form of EDTA documents are attached as Attachment 3. We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals.

If you fail to report the Franchised Business’s Gross Revenues, we may debit your EDTA for one hundred twenty percent (120%) of the highest bi-weekly Royalty Fee and Brand Fund contribution that we debited during the Initial Term. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the Onyva Franchised Business’s true and correct Gross Revenues), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from your EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following bi-weekly period.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (*e.g.*, by check) whenever we deem appropriate. We may require the payments, or automatic debits, be made less frequently than specified in Section 3.2. You agree to comply with our payment instructions as they may be modified from time to time.

You must comply with all of our payment policies, procedures, and requirements, as described in the Operations Manual including, but not limited to, types of currency that you may accept as payment at the Onyva Spa Business or that may be accepted as payment by us.

4. TRAINING AND ASSISTANCE

4.1 New Owner Training

4.1.1 We will provide you (or your Operating Principal), and your Spa Manager the New Owner Training, which will address the material aspects of operating an Onyva Spa Business. The New Owner Training may be conducted at our discretion at our headquarters, and/or at a designated training facility, and/or in your Onyva Spa Business Facility, and/or online of our choice.

We will provide the New Owner Training, for no additional fee, for two people from your Onyva Spa Business. You, or your Managing Owner or Operating Principal, if such is appropriate, and your Spa Manager are required to attend the New Owner Training sessions. In addition, if we have space available in a regularly scheduled training class, you may bring other of your employees to the training class(es) at a charge of one thousand dollars (\$1,000) per individual. You must pay for all travel and living expenses for any attendees, including yourself, from your Onyva Spa Business well as your employees' wages and workers' compensation insurance while they are training.

You (or your Managing Owner or Operating Principal), and the Spa Manager must satisfactorily complete New Owner Training. If you (or your Managing Owner or Operating Principal) or your Spa Manager fail to complete the New Owner Training to our satisfaction, then you may repeat the course or send a substitute to complete the next available training program. We reserve the right to charge you for substitute personnel that attend the next training program.

All management personnel, including the Managing Owner or Operating Principal, Spa Manager, and any other personnel that we designate, must receive our certification, before managing the Onyva Spa Business or training other personnel who either work in your Onyva Spa Business or plan to do so. We may, at any time during the term of the Franchise Agreement, decertify any previously certified personnel if we learn or determine that a person is regarded as no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification. We reserve the right to charge for training personnel that have been decertified.

In addition, all management personnel, and other personnel working at the Onyva Spa Business must satisfactorily complete all state and local government required training and must meet all required licensing requirements, should such exist where your Onyva Spa Business is located.

Once your Onyva Spa Business is ready to open, we will send a member of our staff to assist you at your Onyva Spa Business for five days. These are the two days of the soft-opening, grand-opening, and your first two days of operation. We will then provide periodic consultative training meetings, held remotely, to review your operations and provide additional training and skills based on your unique experience. In these training meetings we will address any issues which you may encounter, questions you and your team may have, and to begin make sure your day-to-day experience operating your Onyva Spa Business is smooth.

If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you must pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

You will have sole discretion regarding all employment decisions and matters relating to your personnel, including, without limitation, hiring, firing, discipline, compensation, benefits, personnel policies, recordkeeping, supervision and scheduling, regardless of whether you receive advice, suggestions, or recommendations from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such actions and decisions will not be, nor be deemed to be, a decision or action of ours. You must ensure that all of the management personnel and other personnel working at the Franchised Business

satisfactorily complete all state and local government required training and obtain and maintain all of the licenses, accreditations, and certifications required by applicable law. You are also responsible for ensuring that your employees are adequately trained.

4.2 Ongoing Training; Training of Replacement Personnel

From time to time, we may require that you, your Operating Principal/Managing Owner, Spa Manager, and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you request that we provide additional training at your Onyva Spa Business location, or if we determine that additional on-site training is necessary, you must pay our then-current per diem fee for each trainer we send, currently \$500 per attendee per day plus travel, lodging, and meals

You, or your Managing Owner/Operating Principal, and/or other previously trained and experienced Spa Manager, and employees, must attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may charge reasonable registration or similar fees for these courses. If attendance at these conventions, meetings or conferences is mandatory, we reserve the right to charge you the registration, attendance or similar fees, including, a non-attendance fee in an amount we designate, even if you or the required attendee does not attend. In addition, you must pay all costs to attend.

We require that your replacement Spa Manager or Operating Principal/Managing Owner (if applicable and if any) satisfactorily complete our New Owner Training program within thirty (30) days after being designated as Spa Manager or Operating Principal/Managing Owner. You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4.3 General Guidance

We will advise you from time to time regarding the Onyva Franchised Business's operation based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you with respect to: (1) standards, specifications, and operating procedures and methods that Onyva Spa Businesses use; (2) advertising and marketing materials and programs; (3) suggested or recommended employee training and recruiting programs; and (4) administrative, bookkeeping, and accounting procedures.

We will provide guidance in our operations manual ("**Operations Manual**"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Onyva Franchised Business. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

4.4 Operations Manual

We will loan you during the Initial Term one (1) copy of our Operations Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or an internal extranet and/or written materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") that we periodically prescribe for operating an Onyva Spa Business and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards. The Operations Manual may contain mandatory and suggested specifications, standards, and operating procedures that we develop for the System and information relating to your other obligations. Any required specifications, standards, and/or operating procedures exist to protect our interests in the System and the Marks and to create a

uniform customer experience. They are not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to you.

You agree to keep your copy of the Operations Manual current and in a secure location at the Franchised Business. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than Franchised Business employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy from us. We may assess you our then applicable printing or copying charge. This charge is for our direct costs, and is not related to any value that we place on the Confidential Information (defined in Section 6 below).

At our option, we may post some or all of the Operations Manual on a restricted Online Site (defined in Section 9.5 below) or extranet to which you will have access. If we do so, you agree to monitor and access the Online Site for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on the Online Site will be deemed to be part of Confidential Information (defined in Section 6 below).

4.5 Delegation of Performance

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

5. MARKS

5.1 Ownership and Goodwill of Marks

Your right to use the Marks is derived only from this Agreement and limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

5.2 Limitations on Your Use of Marks

You agree to use the Marks as the Franchised Business's sole identification, except that you agree to identify yourself or the Entity as its independent operator in the manner we prescribe. You may not use any Mark, any derivatives of the Marks or similar mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with the Online Site, or (5) in any other manner that we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchised Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Onyva Franchised Business and on forms, advertising,

supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3 Notification of Infringements and Claims

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

5.4 Discontinuance of Use of Marks

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Onyva Franchised Business's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.4 apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

5.5 Indemnification for Use of Marks

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

6. CONFIDENTIAL INFORMATION

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating Onyva Spa Businesses, including (without limitation):

- (1) site selection and territorial criteria;
- (2) training and operations materials and manuals;
- (3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Onyva Spa Businesses;
- (4) marketing and advertising programs for Onyva Spa Businesses;
- (5) employee recruitment, training, retention programs;

- (6) knowledge of specifications for and suppliers of Operating Assets, and other products;
- (7) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (8) knowledge of the operating results and financial performance of Onyva Spa Businesses other than your Onyva Franchised Business;
- (9) graphic designs and related intellectual property; and
- (10) all Customer Data (defined in Section 8.11 below).

You acknowledge and agree that the foregoing Confidential Information, which may or may not be considered “trade secrets” under prevailing judicial interpretations or statutes, is private, valuable, and constitutes “trade secrets” belonging to us. You agree that we derive independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Onyva Franchised Business during this Agreement’s term, and that Confidential Information is proprietary and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

- (11) will not use Confidential Information in any other business or capacity;
- (12) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement’s term and then thereafter for as long as the item is not generally known in the dog grooming industry;
- (13) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (14) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Onyva Franchised Business personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request. You will indemnify and hold us harmless from any and all liability, loss, attorneys’ fees, or damage we may suffer as a result of your failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

Confidential Information does not include information, knowledge, or knowhow which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the dog grooming industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the dog grooming industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Operations Manual.

All ideas, concepts, techniques, or materials relating to a Onyva Spa Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

7. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement’s term, you, any of your owners, and any of your or your owners’ immediate family members who have attended any of our training programs, or have participated in any aspects of the operation or management of the Onyva Franchised Business (“**immediate family members**” will include spouses and domestic partners, children 18 years old or older, and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure), for yourself (or themselves), or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not:

(1) own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(2) be, or perform services as, a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of the Onyva Franchised Business to a Competitive Business; or

(4) engage in any other activity which might injure the goodwill of the Marks and System.

The term “**Competitive Business**” means (i) any business that offers or provides dog grooming services, or any other product or service that is similar to the services and products authorized to be offered or sold under the Marks and the System; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Onyva Spa Business operated under a franchise agreement with us).

You agree to obtain similar covenants, including, but not limited to the Personal Covenants attached hereto as Attachment 5, from the personnel and persons we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information and immediate family members. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

8. SYSTEM STANDARDS

8.1 Condition and Appearance of the Franchised Business

You agree that:

(1) You will maintain the condition and appearance of the Onyva Franchised Business and its Operating Assets in accordance with System Standards and consistent with the image of a Onyva Spa Business as an efficiently operated business offering high quality and professional services and products and observing high

standards of customer service and care, and providing efficient, courteous service, and in that connection will take, without limitation, the following actions during the term of this Agreement: (a) repainting, repair, and refurbishing of the Premises at intervals we prescribe; (b) repair or replacement of damaged, worn out or obsolete Operating Assets; and (c) you may place or display at the Premises only those signs, photographs, artwork, logos, and display and advertising materials that we from time to time approve;

(2) If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises or its Operating Assets does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. You will have ninety (90) days to comply and make these corrections. If you do not initiate action to correct such deficiencies within ninety (90) days after you receive our notice, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(3) On notice from us, you agree to remodel, expand, redecorate, reequip and/or refurbish the Premises and the Onyva Franchised Business to reflect changes in the operations of Onyva Spa Businesses which we prescribe and require of new franchisees.

8.2 Franchised Business Services, Specifications, Standards and Procedures

You agree that: (1) the Onyva Franchised Business will provide all dog grooming services and products, and other services and products that we specify from time to time; (2) the Onyva Franchised Business will offer and sell approved services and products only in the manner we have prescribed; (3) you will not offer for sale or sell at or from the Onyva Franchised Business or any other location any services or products we have not approved; (4) you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing.

8.3 Approved Products, Distributors and Suppliers

We have developed or may develop standards and specifications for types, models and brands of required Operating Assets, and other products. We reserve the right from time to time to approve specifications or suppliers and distributors of the products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates.

We may designate a single distributor or supplier (collectively, “**supplier**”) for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products. The designated supplier may be us or an affiliate of ours.

We and our affiliates may receive payments from suppliers on account of such suppliers’ dealings with you and other franchisees and may use any amounts received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or advantageous advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time. You or any other franchisee shall not be an approved vendor to the Onyva System. You acknowledge and agree that we and/or our affiliate may be a designated supplier or sole approved supplier of any product or service that you are required to lease or purchase.

If you would like to use any goods or services in establishing and operating the Onyva Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine

whether the goods or services comply with our standards and specifications, or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation. We will notify you in writing if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers. Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume.

8.4 Compliance with Laws and Good Business Practices

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Onyva Franchised Business and the other licenses applicable to the employees, and must operate the Onyva Franchised Business in full compliance with all applicable federal, state and local laws, rules, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, data privacy, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes, sales and service taxes, and all federal, state, and local employment and labor laws and regulations. To the extent that the requirements of said laws are in conflict with the terms of this Agreement, the Operations Manual, or other instructions from us, you will: (i) comply with said laws; and (ii) immediately provide written notice to us describing the nature of the conflict. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities, and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of a dog grooming business. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Onyva Franchised Business must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Onyva Spa Businesses. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Onyva Franchised Business and of any notice of violation of any law, ordinance, or regulation relating to the Onyva Franchised Business.

8.5 Management of the Franchised Business/Conflicting Interests

Your Onyva Spa Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a ten percent (10%) ownership interest and voting power in the entity ("Managing Owner"). Under certain circumstances, we may allow you to appoint an Operating Principal ("Operating Principal") to run the day-to-day operations of your Onyva Spa Business. If we allow you to appoint an Operating Principal, we must approve the Operating Principal and they must successfully complete our training program. If you replace an Operating Principal, the new Operating Principal must meet our approval and satisfactorily complete our training program at your own expense.

Any Operating Principal and, if you are an entity, an officer or director that does not own equity in the franchisee entity must sign the Personal Covenants (Attachment 5 of this Agreement). All your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed the Personal Covenants).

You must keep us informed at all times of the identity of any Operating Principal, or any person serving in a supervisory role, including those persons serving as Spa Managers.

You or your Managing Owner or Operating Principal must manage and provide general oversight of the Onyva Spa Business on a full-time basis. The Managing Owner or Operating Principal will be charged with the responsibility for direct supervision of the Onyva Spa Business staff. Your failure to have your Onyva Spa Business managed on a full-time basis by you or your Managing Owner or Operating Principal is a default for which we may terminate the Franchise Agreement if the default persists for thirty (30) days after notice from us.

If at any time the Onyva Franchised Business is not being managed by you or your Managing Owner/Operating Principal, and we reasonably believe that the Onyva Franchised Business will not be operated or managed in accordance with our brand standards or that actions may be taken that could adversely affect the Onyva brand, the Marks, or other Onyva Spa Businesses, we are authorized, but not required, to immediately appoint a manager to maintain the operations of the Onyva Franchised Business for and on your behalf. Our appointment of a manager of the Onyva Franchised Business does not relieve your obligations or constitute a waiver of our right to terminate this Agreement pursuant to Section 14 hereof. We shall not be liable for any debts, losses, costs or expenses incurred in the operations of your Onyva Franchised Business or to any of your creditors for any products, materials, supplies or services purchased by the Onyva Franchised Business while it is managed by our appointed manager. We have the right to charge a reasonable fee for management services which currently is ten percent (10%) of the Gross Revenues of the Onyva Franchised Business and to cease to provide management services at any time.

If you (or if you are an entity, your Managing Owner Operating Principal) own or control more than one Onyva Spa Business, each individual Onyva Spa Business you own must be under the direct on-premises supervision of you or an appointed Operating Principal. This includes, but is not limited to, completion of our training programs. The Managing Owner may supervise and have responsibility for the Operating Principals at each location.

The Managing Owner or Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for your entity. You may not change the Managing Owner or Operating Principal without our prior written consent. We may require that you and/or one or more owners in your entity sign a guarantee and assumption of obligations. We require that all owners must sign the guaranty.

You will have sole discretion regarding all employment decisions and matters relating to your personnel, including, without limitation, hiring, firing, discipline, compensation, benefits, personnel policies, recordkeeping, supervision, and scheduling, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such actions and decisions will not be, nor be deemed to be, a decision or action of ours. We have no authority to control, either directly or indirectly, the essential terms and conditions of employment of your employees. You acknowledge and agree that you, in your sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Manual or otherwise defined by law.

8.6 Insurance

You must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Onyva Spa Business's operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage include: (1) general liability insurance, including products and completed operations, with limits of at least \$1 million per occurrence and \$2 million aggregate; (2) workers' compensation and employer's liability insurance with limits of no less than \$1,000,000 bodily injury by accident, \$1,000,000

bodily injury by disease each employee and \$1,000,000 bodily injury by disease policy limit. You must also meet any federal, state or local requirements, statutes or regulations for the state(s) in which your Onyva Spa Business is operating; (3) personal advertising injury coverage with limits of at least \$1 million per occurrence and \$1 million aggregate; (4) animal bailee coverage with limits of at least \$10,000 per occurrence and \$25,000 aggregate; (5) professional liability coverage with limits of at least \$1 million each incident and \$2 million aggregate; (6) employment practices liability insurance with limits of at least \$500,000 per occurrence and \$500,000 aggregate; (7) automobile liability insurance, including coverage for any owned, hired or non-owned automobiles with a limit of not less than \$1,000,000; (8) cyber liability insurance with a limit of not less than \$25,000; and (9) bonding as mandated by any applicable federal, state or local requirement, statute of regulation. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insured and provide for 30 days prior written notice to us of a policy's material modification, cancellation, or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain comparable insurance for you and your Onyva Spa Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide you with adequate coverage. Our review and verification of certain elements of your insurance does not in any way reduce or eliminate your obligation to fully comply with all insurance requirements. It is your sole obligation to fully comply with these insurance requirements and to confirm with your insurance providers that your policies are in compliance. The requirements of insurance specified in this Agreement are for our protection. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits we require.

Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your procurement of required insurance relieve you of liability under the indemnity provisions set forth herein. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations.

8.7 Pricing

We may periodically set a maximum price that you may charge for a service or product. If we impose such a maximum price for any product or service, you may charge any price for the product or service up to and including the maximum price we impose.

8.8 Compliance with System Standards

You acknowledge and agree that operating and maintaining the Onyva Franchised Business according to System Standards are essential to preserve the goodwill of the Marks and all Onyva Spa Businesses. Therefore, you agree at all times to operate and maintain the Onyva Franchised Business according to all of our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Onyva Franchised Business and implementing and maintaining System Standards at the Onyva Franchised Business. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to operate the Onyva Franchised Business, and/or take other actions to enforce the System Standards.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8.1. through 8.7 above:

- (1) all dog grooming services and products;
- (2) recommended or suggested staffing levels and customer service standards for the Onyva Franchised Business; identifying the Onyva Franchised Business's personnel; and recommended or suggested employee qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, employment records, work schedules, discipline, hours worked, rates of pay and other benefits, work assigned, and working conditions, despite any recommendations or advice we may provide);
- (3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (4) use and display of the Marks at the Onyva Franchised Business and on signs, contracts, products and supplies;
- (5) days and hours of operation;
- (6) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;
- (7) accepting credit and debit cards, other payment systems, and check verification services;
- (8) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Onyva Franchised Business;
- (9) any other aspects of operating and maintaining the Onyva Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Onyva Spa Businesses.

You agree that System Standards we prescribe in the Operations Manual or otherwise communicate to you in writing or another tangible form (for example, via a System Online Site), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

8.9 Modification of System Standards

We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Onyva Franchised Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Onyva Franchised Business, buying new Operating Assets, adding new services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

8.10 Lead Generation or Call Center

We reserve the right to provide, and/or contract with a third-party to develop and operate, a call center or other sales inquiry/sales generating service, and/or to provide or contract with third parties, including Internet-based marketing companies, to provide, lead generation services to our network of Onyva Spa Businesses. Charges and fees for a call center and/or lead generation services may include one-time set-up fees per business, monthly fees, and/or per-call or per-lead fees. We expect that the fees charged will be to reimburse us for costs associated with these services, and/or to pay third parties for these services. We may require you to use the call center or lead generation services, or we may only recommend that you do. If you participate and use the call center or lead generation services, you must comply with all rules, policies, and requirements specified by the provider and us

regarding such services. We reserve the right to add to, modify, or eliminate approved, recommended, or required products, services, or suppliers at any time.

8.11 Data; Ownership of Data

You agree that all data that you collect from customers and potential customers in connection with the Onyva Spa Business (“**Customer Data**”) is deemed to be owned exclusively by us, and you also agree to provide the Customer Data to us at any time that we request you to do so. You have the right to use Customer Data while this Agreement or a successor franchise agreement is in effect, but only in connection with operating the Onyva Spa Business and only in accordance with the policies that we establish from time to time using the technologies that we approve. You may not sell, transfer, or use Customer Data for any purpose other than operating the Onyva Spa Business and marketing “Onyva” products and services. However, if you Transfer the Onyva Spa Business in an approved Transfer (as provided in Sections 12.2 and 12.3 below), as part of the Transfer, you must also Transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Onyva Spa Business. We have the right to periodically specify in writing, in the Operations Manual or otherwise, the information that you must collect and maintain on the Computer System, and you agree to provide us with the reports that we may reasonably request from the data so collected and maintained. All data pertaining to, derived from, or displayed at the Onyva Spa Business (including, without limitation, Customer Data) is and shall be our exclusive property, and we hereby grant you a royalty-free non-exclusive license to use that data during the Term of this Agreement for the sole purpose of operating your Onyva Spa Business. You acknowledge and agree that the financial data of your Onyva Spa Business may be published in franchise disclosure document(s) issued by us following the Effective Date hereof and may be shared with other franchisees in the System.

8.12 PCI Compliance and Credit Cards.

With respect to your acceptance and processing of customer payments by credit and debit cards, you agree to do all of the following:

(1) You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, “**Credit Card Vendors**”) that we may periodically designate as mandatory.

(2) You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval.

(3) We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

(4) You agree to comply with all of our policies regarding acceptance of payment by credit and/or debit cards, including for example minimum purchase requirements for a customer’s use of a credit card (we may set these requirements in the Operations Manual).

(5) You agree to comply with our requirements concerning data collection and protection, as specified in Section 8.11 above.

(6) You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

8.13 Privacy Laws.

You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“**Privacy Laws**”). You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and applicable law, you will: (i) comply with the requirements of applicable law; (ii) immediately provide us with written notice of said conflict; and (iii) promptly and fully cooperate with us and our counsel in determining the most effective way, if possible, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree that you will not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

9. MARKETING

9.1 Brand Contributions and Expenditures

You acknowledge and recognize the value of the Onyva brand and Marks, the need to develop, enhance, and promote the Onyva brand and Marks, and the need to advertise and market the Onyva brand and Onyva Spa Businesses. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the Onyva brand and Onyva Spa Businesses. Therefore, you agree to (i) contribute to the Brand Fund pursuant to Section 9.2, and (ii) make local advertising and marketing expenditures pursuant to Section 9.3.

9.2 Brand Fund

You acknowledge and agree that the image of the Onyva brand, the Marks, and Onyva Spa Businesses held by the public in general, by customers, and by Onyva Spa Business managers and employees, is important to the System and the Marks. We have established a Brand Fund (the “**Brand Fund**”) for the enhancement and protection of the Onyva brand and Marks, and for the advertising, marketing, and public relations programs and materials as we deem appropriate.

We will have sole discretion to use the Brand Fund, and monies in the Brand Fund, for any purpose that we designate that we believe will enhance and protect the Onyva brand and Marks, will improve and increase public recognition and perception of the Onyva brand and Marks and Onyva Spa Businesses, and will improve and enhance the perception of Onyva Spa Businesses held by franchisees, managers, and other employees of Onyva Spa Businesses. Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: creative development and production of print ads, commercials, radio spots, direct mail pieces, door hangers, and other advertising and promotional materials; creative development of, and preparing, producing, and placing video, audio, and written materials and electronic media; media placement and buying, including all associated expenses and fees; implementation of digitally identifiable marketing phone numbers; deployment and execution of marketing technology; selection and support of sponsorships; administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys, including the use of “secret ‘shoppers’ or clients”; lead sharing or lead generating services or vendors; the creative development of, and actual production associated with, promotions, public relation events, and charitable or nonprofit events; creative development of signage and posters; employee recognition and awards events and programs; periodic national and regional conventions and meetings; Online Site, extranet and/or intranet development, implementation, and maintenance; retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and public relations and community involvement activities and programs. We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

You agree to contribute to the Brand Fund an amount currently set at one and three quarters percent (1.75%) of your gross revenue, an amount which may go up to three percent (3%) of your Gross Revenues as determined by

us at our sole discretion, payable in the same manner as the Royalty Fee. We will specify, and periodically modify, with 30 days' prior written notice to you, the required contribution level, at our sole discretion. The maximum amount that we can set during the term of this Agreement as a Brand Fund contribution will be three percent (3%) of your Gross Revenues.

We have the right to collect for deposit into the Brand Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Onyva Spa Businesses and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 8.3 above.)

The Brand Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Brand Fund separately from our other funds and not use the Brand Fund for any of our general operating expenses. However, we may use the Brand Fund to pay administrative costs of the Brand Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Fund, and we may use the Brand Fund to pay the reasonable salaries and benefits of personnel (including our personnel and personnel of our affiliates) who manage and administer the Brand Fund. We may use the Brand Fund to pay for other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

The Brand Fund will not be our asset. Although the Brand Fund is not a trust, we will hold all Fund contributions for the benefit of the System, the Onyva brand, and the contributors, and use contributions only for the purposes described in this Section. We do not owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets.

We will prepare an annual, unaudited statement of Brand Fund collections and expenses. The statement is available for your review upon written request, ninety (90) days after our fiscal year. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

We intend the Brand Fund to maximize and enhance public, franchisee, and employee recognition of the Onyva brand, Marks and Onyva Spa Businesses. Although we may use the Brand Fund, or portions of the monies in the Brand Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Onyva Spa Businesses, we cannot and do not ensure that Brand Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Brand Fund contributions by Onyva Spa Businesses operating in that geographic area. We do not guarantee or assure that any Onyva Spa Business will benefit directly or in proportion to its Brand Fund contribution from the brand enhancement activities of the Brand Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce contributions of a Onyva Spa Business franchisee and, upon thirty (30) days prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Brand Fund contributions during the preceding twelve (12) month period.

9.3 By You

We will work with you to develop, on an annual basis, an advertising and marketing plan (the Plan”) for your Onyva Spa Business. You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. We will provide you with materials such as a Grand Opening planning tool, marketing templates, social media templates, and consultation in connection with your Grand Opening marketing for your Onyva Spa Business. In addition to your Brand Fund contribution obligations described above, beginning with the first month your Onyva Spa Business is open for business and lasting for the first six (6) months of your Spa’s operation, you must spend a minimum of two thousand dollars (\$2,000) per month on local advertising to promote your Onyva Spa Business in the Territory. Thereafter, the monthly required spend is one thousand dollars (\$1,000) for the remainder of the Initial Term. This advertising and promotion includes such items as advertising, brochures, promotional items, printing, and copying services. You must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we may specify from time to time. We reserve the right to collect the required local advertising and marketing expenditures from you and to spend such amounts to implement the Plan for you. If you fail to expend the required minimum amount, then any amounts that you should have expended to reach the required minimum amount must be contributed to the Marketing Fund at such times as we specify.

We reserve the right to establish or designate specialized, or regional, or special-focused advertising, marketing or media campaigns (“**Special Campaigns**”) that may or may not involve you and/or other Onyva Spa Businesses. If we establish or designate a Special Campaign that is or will be applicable to you, you must participate in that campaign and contribute to the costs of the Special Campaign in the amounts and in the manner that we specify. Any amounts that you spend or contribute to or for the Special Campaign will be credited toward your required advertising/promoting expenditure under this Section 9.3.

We may require you to participate with other Onyva Spa Businesses in joint, collective, or market-wide advertising, marketing, or promotional campaigns or programs as part of your Plan, and to pay your share of that joint, collective, or market-wide advertising or program. Your local advertising and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Online Site’s domain name in the manner we designate. You may not own, develop, maintain, control or authorize, without our prior written approval, any Online Site that mentions or describes you or the Franchised Business or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. You may use direct advertising only directed to customers located within your Territory. We may specify third parties that you must use for the design and development of your local advertising; however, you will be required to pay those third parties directly without any offset to your required local expenditure requirements.

9.4 Approvals

You must order sales and marketing material from us or our designated suppliers. It is a material breach of the Franchise Agreement to use other marketing material, without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 20 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed an approval of your request. Use of logos, Marks, and other name identification materials must follow our approved standards. You may

not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Onyva Spa Business, those items or services must be included in your Gross Revenues and will be subject to Royalties and the Brand Fund Contributions. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the Brand Fund.

9.5 Online Sites

In furtherance of our policies regarding Online Sites and the presence of the “Onyva” brand on the Internet, we have the right to establish, maintain, and modify one or more Online Sites that identify the “Onyva” brand, system, and businesses that operates under our Marks. We will establish webpages on one website that identify individual Onyva Franchised Businesses, and webpages will specifically identify your Onyva Franchised Business (“Microsites”). You will have the ability to add content to your Microsite that describes your franchise and your local community. You will be able to customize your Onyva Spa Business’s Microsite to add events, local charitable activities, “About Us”, and customized pricing. The management and hosting of each Microsite and the Online Site will be managed by us or our designee. Our current website is identified as “www.onyvadogspa.com.” As long as we maintain an Online Site, we will have the right to use the Brand Fund assets to develop, maintain, and update the Online Site. We may update and modify the Online Site from time to time. You must promptly notify us whenever any information on your Microsite changes or is not accurate. We have final approval rights of all information on the Online Site. We may implement and periodically modify System Standards relating to the Online Site. We are only required to reference your Onyva Spa Business on the Online Site while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System standards, then we may temporarily remove references to your Onyva Spa Business from the Online Site until you fully cure the subject default(s). Our current website strategy, which we have the right to change from time to time, includes utilizing our website and various webpages for lead generation purposes, press releases, brand marketing, promotion, and dissemination of other information related to the Onyva Spa Businesses. We have the right to establish, maintain, and modify different types of online properties including mobile versions of our Online Sites, and static and dynamic landing pages. Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish an Online Site relating in any manner whatsoever to the Onyva Franchised Business or referring to the Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Online Site. The term “**Online Site**” means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, World Wide Web, webpages, microsites, mobile phones, social networking sites (e.g., Facebook, Twitter, LinkedIn, You Tube, Google Plus, Pinterest, etc.), blogs, vlogs, applications to be installed on mobile devices (e.g., iPad or Droid apps), and other applications, etc.

We may allow you to market your Onyva Spa Business through social media sites which are required to be approved in writing by us prior to establishing. Once created, each site must be properly branded using only templates provided by us. Posts not using our templates are prohibited. Each site must make use of approved logos and trademarks to represent the account. We reserve the right to require changes to all social media sites, content, and materials used on such sites should we find any content offensive, improper, or not in line with our standards or specifications. We reserve the right to require you to establish additional social media accounts and to participate and engage in additional social media as we see fit.

9.6 E-Mail, Internet, and Other Media

You must comply with our requirements and policies (as described in the Operations Manual or otherwise in writing) with respect to the transmission of all e-mails in connection with the Onyva Franchised Business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Onyva Franchised Business. Such activities include, without limitation, participation in any Internet “blogs” or social networking sites. Any such activities which are not

expressly permitted in the Operations Manual or otherwise in writing, or for which you have not previously received approval from us, shall be subject to our approval as described in Section 9.4 above.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We reserve the right to require that you maintain a fiscal year different than the calendar year, and one that is consistent with our fiscal year. In addition, we reserve the right to require that you hire and utilize a bookkeeping and/or accounting service that we designate or approve. We may require you to use a Computer System to maintain certain sales data, financial data and other information. You must comply with our requirements regarding inputting of data, preparing reports, and transmitting data and reports to us, using the Computer System in the manner and at such times as we specify. You agree to prepare and provide to us, in the manner and format that we prescribe from time to time (which may include reporting through the Computer System and/or maintaining the Computer System to enable us to access your records to obtain the following reports):

(1) a report on the Franchised Business's Gross Revenues as provided in Section 3.2, and a monthly operating report and/or income statement with business and operating statistics of the type and in the form and manner that we specify;

(2) monthly and quarterly profit and loss and source and use of funds statements and a balance sheet for the Onyva Franchised Business as of the end of the prior calendar month and quarter;

(3) within ninety (90) days after the end of each calendar year, the operating statements, financial statements, statistical reports, and other information we request regarding you and the Onyva Franchised Business covering the previous calendar year; and

(4) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Onyva Franchised Business and to each of your owners.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a continual basis), access the Computer System and retrieve all information relating to the Franchised Business's operation.

In the event you have been in default of any financial, payment, or reporting obligation under this Agreement, even if cured, more than twice during the term of this Agreement, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

You agree to preserve and maintain all records (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer and client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers) in a secure location at the Onyva Franchised Business for a period of at least five (5) years, or such longer period of time as may be required under applicable federal, state and local laws, regulations and requirements.

11. INSPECTIONS AND AUDITS

11.1 Our Right to Inspect the Onyva Franchised Business

To determine whether you and the Onyva Franchised Business are complying with this Agreement and to assess your operations and adherence to System Standards, we and our designated agents or representatives may at

all times and without prior notice to you: (1) inspect and observe the operation of the Onyva Franchised Business; (2) interview the Onyva Franchised Business's personnel and customers; and (3) inspect and copy or request copies of any books, records, and documents relating to the Onyva Franchised Business's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Onyva Franchised Business's operation.

11.2 Our Right to Audit

We may, ten (10) days after our request, examine your (if you are an Entity) and the Onyva Franchised Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with us, our representatives, accountants, auditors, representatives, and/or contractors in any examination. We may conduct our audit or examination at our offices or the offices of our representative, accountant, auditor, or contractor. If any examination discloses an understatement of the Onyva Franchised Business's Gross Revenues, you agree to pay us, within ten (10) days after receiving the examination report, the Royalty Fee and Brand Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Revenues exceeding five percent (5%) of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER

12.1 By Us

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

12.2 By You

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Onyva Franchised Business (or any right to receive all or a portion of the Onyva Franchised Business's profits or losses or capital appreciation related to the Onyva Franchised Business); (iii) the Lease; (iv) substantially all of the assets of the Onyva Franchised Business; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Onyva Franchised Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (1) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (2) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (3) any sale of a security convertible to an ownership interest;
- (4) transfer of an interest in you, this Agreement, the Onyva Franchised Business or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (5) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Onyva Franchised Business or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (6) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Onyva Franchised Business, or your transfer, surrender, or loss of the Onyva Franchised Business's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Onyva Franchised Business's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Onyva Franchised Business if you give us fifteen (15) days' prior written notice and if the pledge and/or financing satisfies our requirements, which may include, without limitation, execution of agreements by us, you, and/or such owners, and any of your secured creditors, in a form satisfactory to us, acknowledging the creditor's obligations to be bound by the terms of this Section 12. Notwithstanding the foregoing, in the event you seek and/or obtain financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), you shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral you use to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment 6 are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) we shall subordinate our security interest or other lien on your Collateral to that of the lender of the SBA Financing and (iii) we waive the requirement of the written acknowledgement referenced in this Section.

12.3 Conditions for Approval of Transfer

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section.

If you are an Entity, your owners may transfer a non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Onyva Spa Business franchisees (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your owners, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners) all of the following conditions must be met before or concurrently with the effective date of the transfer:

- (1) The transferee has sufficient business experience, aptitude, and financial resources to operate the Onyva Franchised Business;

(2) The transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Onyva Spa Business franchisees;

(3) You have paid all Royalty Fees and Brand Fund contributions, and other amounts owed to us, our affiliates, and third-party vendors, have submitted all required reports and statements, and are not in violation of this Agreement at the time of transfer;

(4) Neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(5) The transferee (or its Operating Principal) satisfactorily completes our training program at the then-current training cost;

(6) Your landlord allows you to transfer the Lease or sublease the Premises to the transferee;

(7) The transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty Fees and the Brand Fund contributions, provided, however, that the term of the new franchise agreement signed will be the remaining term on this Agreement;

(8) You pay us a One Thousand Dollar (\$1,000) non-refundable deposit at the time of submitting your application to transfer which may be applied to the transfer fee;

(9) You or the transferee pays us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee or such greater amount as is required to reimburse us for reasonable expenses associated with reviewing the transfer; however, the transfer fee will be waived if the transferee is an entity you control.

(10) You (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our current and former shareholders, officers, directors, employees, and agents;

(11) We have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Onyva Franchised Business;

(12) If you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Onyva Franchised Business are subordinate to the transferee's obligation to pay Royalty Fees, Brand Fund contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(13) (a) You have corrected any existing deficiencies of the Onyva Franchised Business of which we have notified you in writing or by electronic communications, and/or (b) the transferee agrees to upgrade and refurbish the Onyva Franchised Business in accordance with our then current requirements and specifications for Onyva Spa Businesses within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(14) You and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.4 below; and

(15) You and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Onyva Spa Businesses you own and operate) identify yourself or themselves or any business as a current or former Onyva Spa Business or as one of our franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Onyva Spa Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(16) Any purchase and sale agreement between You and the transferee shall provide for and require that the Onyva Franchised Business shall continue to operate without interruption during the transfer.

We may review all information regarding the Onyva Franchised Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Onyva Franchised Business.

12.4 Transfer to a Wholly Owned Corporation or Limited Liability Company

Despite Section 12.3 above, if you are fully complying with this Agreement, and other agreements with us, our affiliates, and suppliers, after providing us with written notice, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Onyva Franchised Business and, if applicable, other Onyva Spa Businesses, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Onyva Franchised Business's assets are owned, and the Onyva Franchised Business's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12.3 above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

12.5 Your Death or Disability

(1) Transfer Upon Death or Disability. Upon your or your Managing Owner's death or disability, you or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Managing Owner's ownership interest in you, to a third party (which may be you or the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed twelve (12) months from the date of death or disability and is subject to all of the terms and conditions in this Section 12, including the payment of the transfer fee required under Section 12.3. A failure to transfer your interest in this Agreement or the Managing Owner's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Managing Owner from supervising the Onyva Franchised Business's management and operation.

(2) Operation Upon Death or Disability. Upon your or the Managing Owner's death or disability, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager. The manager must complete our standard training program. A new Managing Owner or Operating Principal acceptable to us also must be appointed for the Onyva Franchised Business, and that new Managing Owner or Operating Principal must complete our standard training program, within sixty (60) days after the date of death or disability.

12.6 Effect of Consent to Transfer

Our consent to a transfer of this Agreement and the Onyva Franchised Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Onyva Franchised Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12.7 Public or Private Offering

In the event you or your affiliates offer stock, partnership or other ownership or equity interests in you or your affiliates and such offering or transfer of ownership requires, under federal or state law, that you prepare and/or furnish materials to prospective purchasers or investors, all such materials required by federal or state law shall be submitted to us for review as described below at the earlier of at least thirty (30) days before such materials are offered to prospective purchasers or investors or are filed with any government agency. You must submit any materials to be used in any exempt offering for our review prior to their use. No offering by you or your affiliates may imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of the securities of you or your affiliates; and our review of any offering will be limited solely to the relationship between you and us and any subsidiaries and affiliates, if applicable, and will not constitute any opinion as to any legal requirement. We may require the offering materials to contain a written statement prescribed by us concerning the limitations stated in the preceding sentence.

You (and the offeror, if it is not you), your owners, and all other participants in the offering must fully indemnify us, our subsidiaries, affiliates, successor, and assigns, and their respective directors, managers, officers, members, shareholders, partners, agents, representatives, servants, and employees in connection with the offering and you shall execute any and all documents required by us to endorse such indemnification. For each proposed offering, you must pay us a non-refundable fee of Seven Thousand Five Hundred Dollars (\$7,500) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. You must give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 12.7 commences. We may request additional information, and you may be required to defer the offering or transaction until all of our requests are satisfied. Any such offering will be subject to all of the other provisions of this Section 12, including without limitation the terms set forth in Sections 12.2 and 12.3. You also agree that such offering shall be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

12.8 Franchisor's Right of First Refusal.

If you or your owners at any time seek or attempt to transfer all or substantially all of the Onyva Franchised Business, all or substantially all of the assets of the Onyva Franchised Business, this Agreement, or an ownership interest in you, you (or your owners) must submit to us any bona fide written offer executed by a prospective purchaser and must disclose the identity of such prospective purchaser to us. For a period of thirty (30) days after we receive a copy of such offer, we have the right, exercisable by written notice delivered to you, to notify you of our intent to purchase the interest which is the subject of the offer for the price, and then to purchase such interest, on the terms and conditions contained in the offer, provided that we may substitute cash for any form of payment proposed in the offer and have a minimum of sixty (60) days to prepare for closing. If we do not exercise our right of first refusal, you (or your owners) may complete the sale to the purchaser pursuant to and on the terms of the offer and in accordance with this Section, provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of the terms of the original offer to us, or if there is a material change in the terms of such offer, we shall again have the right of first refusal set forth above.

13. EXPIRATION OF THIS AGREEMENT

13.1 Your Right to a Successor Franchise Agreement

If you meet certain conditions, then you will have the option to request the right to operate the Onyva Franchised Business for two (2) successor terms. Each of the successor terms will be ten (10) years each, for a total of twenty (20) years. The qualifications and conditions for the successor terms are described below.

When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during its term; and

(2) if you (and all of your owners) are, both on the date you give us written notice of your election to request a successor franchise agreement (as provided in Section 13.2 below) and on the date on which the term of the successor franchise agreement would commence, in full compliance with this Agreement, other agreements with us, our affiliates, and your suppliers, and all System Standards; and

(3) provided that (a) you maintain possession of the Premises, or (b) at your option, you secure a substitute premises that we approve, and the Premises or substitute premises comply with, or are developed or refurbished to comply with, the System Standards then applicable for Onyva Spa Businesses;

then you have the option to execute a successor franchise agreement for a term of ten (10) years commencing immediately upon the expiration of this Agreement. You agree to sign the franchise agreement we then use to grant franchises for Onyva Spa Businesses (modified as necessary to reflect the fact that it is for a successor franchise agreement), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided, however, that the Royalty Fee shall remain the same for the successor term as that set forth in this Agreement. We have a right to charge you a successor franchise fee of twenty-five percent (25%) of the then current initial franchise fee which must be paid at the time of execution of the successor franchise agreement.

If you (and each of your owners) are not, both on the date you give us written notice of your election to request a successor franchise agreement and on the date on which the term of the successor franchise agreement commences, in full compliance with this Agreement, other agreements with us, our affiliates, and your suppliers, and all System Standards, you acknowledge that we need not grant you a successor franchise agreement, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14.

13.2 Grant of a Successor Franchise Agreement

You agree to give us written notice of your election to request a successor franchise agreement no more than two hundred seventy (270) days and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice (“**Our Notice**”), not more than ninety (90) days after we receive your notice, of our decision:

(1) to grant you a successor franchise agreement;

(2) to grant you a successor franchise agreement on the condition that you correct existing deficiencies of the Onyva Franchised Business or in your operation of the Onyva Franchised Business and/or satisfy our then current qualifications, certification, and training requirements; or

(3) not to grant you a successor franchise agreement based on our determination that you and your owners have not substantially complied with this Agreement, other agreements with us, our affiliates, and your suppliers during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to request a successor franchise agreement.

If applicable, our Notice will:

(4) describe any improvements and/or modifications required to bring the Onyva Franchised Business into compliance with then applicable System Standards for new Onyva Spa Businesses;

(5) describe our then-current qualifications, certification and training requirements, and specify the training program(s) that you and your employees must complete to our satisfaction before you may be offered a successor franchise agreement; and

(6) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If we elect not to grant you a successor franchise agreement, our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise agreement, your right to sign a successor franchise agreement is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in our Notice.

If our Notice states that you must cure certain deficiencies of the Onyva Franchised Business or its operation as a condition to our granting you a successor franchise agreement, we will give you written notice of our decision not to grant a successor franchise agreement, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires, provided, however, that we need not give you this ninety (90) days' notice if we decide not to grant you a successor franchise agreement due to your breach of this Agreement during the ninety (90) day period before it expires. If we fail to give you:

(7) notice of deficiencies in the Onyva Franchised Business, or in your operation of the Onyva Franchised Business, within ninety (90) days after we receive your timely election to request or obtain a successor franchise agreement (if we elect to grant you a successor franchise agreement under subparagraphs (2) and (b) above); or

(8) notice of our decision not to grant a successor franchise agreement at least ninety (90) days before this Agreement expires, if this notice is required,

we may extend this Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise agreement. If you fail to notify us of your election to request a successor franchise agreement within the prescribed time period, we need not grant you a successor franchise agreement.

13.3 Agreements/Releases

If you satisfy all of the other conditions for a successor franchise agreement, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Onyva Spa Businesses (modified as necessary to reflect the fact that it is for a successor franchise agreement), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided, however, that the Royalty Fees owed under the successor agreement for the first successor term will be the same as under this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our current and former shareholders, members, managers, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to be granted a successor franchise agreement.

14. TERMINATION OF AGREEMENT

14.1 Automatic Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or 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; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against the Onyva Franchised Business premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Onyva Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2 Termination Upon Notice Without Opportunity to Cure

You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you by us, upon the occurrence of any of the following events:

- (1) you (or any of your owners) intentionally underreport Gross Revenues, falsify financial data, or otherwise commit an act of fraud, or make any material misrepresentation or omission in your application for, or in acquiring, the license and franchise rights, or in operating the Onyva Franchised Business;
- (2) you (or your owners) make or attempt to make any transfer in violation of Section 12;
- (3) you fail to maintain any required licenses, permits, or certifications to open or operate the Onyva Franchised Business, or fail to comply with any federal, state, or local law regulation, or you operate the Onyva Franchised Business in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice;
- (4) you or any of your employees fail to meet the state and local certifications or other requirements for a dog grooming or similar business, and you fail to cure this default within five (5) days after you receive notice, or, alternatively, you fail to prohibit such employees from working in the Onyva Franchised Business until the requirements are met;
- (5) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;
- (6) you (or any of your owners) or any of your key employees engage in any dishonest or unethical conduct, any unprofessional conduct, or any conduct or action which, in our opinion, adversely affects, harms, or has or may have a detrimental effect on or impact on, the Onyva brand, the Onyva Franchised Business, other Onyva franchised businesses, or the goodwill associated with the Marks;
- (7) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;
- (8) you (or any of your owners) fail to comply with the terms of Section 7 of this Agreement (Exclusive Relationship);

(9) you interfere with our relations with third parties and the ability to operate, and/or grant franchises under, our System;

(10) you fail to maintain the insurance we require or you fail to repay us for the insurance that we have paid on your behalf, and you do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(11) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you, or immediately if payment has not been made within thirty (30) days of its due date;

(12) you understate the Onyva Franchised Business's Gross Revenues for any period by five percent (5%) or more three (3) times or more during any twelve (12) month period, or by more than ten percent (10%) on any one occasion;

(13) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(14) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(15) you are in default of any other agreement with us or any of our affiliates, and you have failed to cure the default within the time period, if any, provided for such cure.

14.3 Termination With Opportunity to Cure

Except as otherwise provided in Sections 14.1 and 14.2 above, upon any other default by you of your obligations hereunder, including those identified below, we may terminate this Agreement by giving written notice of termination, setting forth the nature of such default to you at least thirty (30) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us, all within the thirty (30) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you may have an opportunity to cure the default to avoid termination:

(1) you do not open the Onyva Franchised Business for business within the time period prescribed in Section 2.5;

(2) you (or your Managing Owner or Operating Principal) and/or your initial Spa Manager do not satisfactorily complete the New Owner Training program (after we provide a second opportunity as provided in Section 4.1);

(3) you abandon or fail actively to operate the Onyva Franchised Business for three (3) or more consecutive business days, unless you close the Onyva Franchised Business for a purpose we approve or because of casualty or government order;

- (4) you (or any of your owners) misuse our Marks, or use our Marks at any other location owned or operated by you (or any of your owners) without our authorization;
- (5) you make any unauthorized use of our proprietary software;
- (6) you fail to operate the Onyva Franchised Business during the days and hours specified in the Operations Manual without our prior approval;
- (7) you fail to operate the Onyva Franchised Business from the Premises or any substitute premises approved by us;
- (8) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Onyva Franchised Business's operation, unless you are in good faith contesting your liability for these taxes;
- (9) you fail to provide the financial statements and/or tax returns to us in a timely manner as specified in Section 10 of this Agreement (Records, Reports, and Financial Statements);
- (10) you fail to promptly pay your suppliers, including any of our affiliates, when such payments are due; or
- (11) you (or any of your owners) fail to comply with any other provision of this Agreement, the Operations Manual, or any System Standard.

14.4 Extended Notice of Termination

If any law applicable to this Section 14, or Section 13 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor franchise agreement, than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

15. **OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT**

15.1 Payment of Amounts Owed to Us

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalty Fees, Brand Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid. You agree to reimburse us for all costs and expenses, including but not limited to attorneys' fees, we incur as a result of your default, including costs in connection with collection of any amounts owed to us and/or enforcement of our rights under this Agreement.

15.2 Marks.

When this Agreement expires or is terminated:

- (1) you may not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other Onyva Spa Businesses you lawfully own and operate) identify yourself or any business as a current or former Onyva Spa Business or as one of our current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Onyva Spa Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us; and within fifteen days

(2) you agree to take within fifteen (15) days the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signage, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Onyva Spa Business that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Onyva Franchised Business;

(4) if we do not have or do not exercise an option to purchase the assets of the Onyva Franchised Business under Section 15.5 below, you agree promptly and at your own expense to make the alterations we specify in our Operations Manual (or otherwise) to distinguish the Franchised Business clearly from its former appearance and from other Onyva Spa Businesses in order to prevent public confusion;

(5) you agree to immediately notify the telephone company, all telephone directory publishers, and all domain name registries and internet service providers of the termination or expiration of your right to use any telephone, facsimile, URLs and domain names, or other numbers names and telephone directory listings associated with any Mark; to authorize the transfer of these numbers, names, and directory listings to us or at our direction; and/or to instruct the telephone company, domain name registries, and Internet service providers to forward all calls, e-mails and electronic communications made to your names, numbers, or addresses to names, numbers, or addresses we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(6) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3 Confidential Information

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us the customer list, all copies of the Operations Manual and any other confidential materials that we have loaned you.

15.4 Covenant Not to Compete

Upon:

(1) our termination of this Agreement according to its terms and conditions,

(2) your termination of this Agreement without cause, or

(3) expiration of this Agreement (if we offer, but you elect not to execute, a successor franchise agreement, or if we do not offer you a successor franchise agreement due to your failure to satisfy the conditions for a successor franchise agreement set forth in Section 13),

you and your owners agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration or (ii) the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4 or (iii) if litigation is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing the Agreement, you and your owners, and your and their immediate family members, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or

otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 7 above), that is or may be located or operating:

- (a) at the Premises;
- (b) within the Territory;
- (c) within ten (10) miles of the border of the Territory; or

(d) within the territory, area, or market area of any other Onyva Spa Business in operation on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

Equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 15.4.

These restrictions also apply after transfers, as provided in Section 12.3(12) above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

15.5 Injunctive Relief

You acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to us for which monetary damages cannot fully remedy. Accordingly, you hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by you in violation of the terms of the covenants set forth in this Section and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, you acknowledge and agree that the foregoing injunctive relief is in addition to, and does not restrict us from pursuing, any and all claims for monetary damages resulting from your breach of the covenants contained herein.

15.6 Our Right to Purchase Certain Assets of the Franchised Business

Upon termination of this Agreement, or upon expiration of this Agreement if you do not enter into a successor franchise agreement, we will have the right and option, but not the obligation, to purchase any and all of your assets from the Onyva Franchised Business at a purchase price equal to their fair market value. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect any equipment at any time prior to or during this thirty-day period. If we elect to purchase the equipment, we will be entitled to, and you must provide, all customary warranties and representations relating to the equipment purchase, including, without limitation, representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances). If we and you cannot agree on fair market value, fair market value will be determined by three (3) independent accredited appraisers with experience in commercial real estate. You and we will each select one (1) appraiser, and one (1) will be selected by mutual agreement of the other two (2) appraisers. The appraisers will conduct an appraisal in accordance with this Section. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then). You and we will share equally the appraisers' fees and expenses. The appraisers must complete their appraisals within thirty (30) days after their appointment. The purchase price will be the average of the three (3)

appraised values. If the two appraisers cannot agree on the third appraiser, one will be chosen by the American Arbitration Association.

15.7 Return of Customer Data

Upon termination of this Agreement, or upon expiration of this Agreement if you do not enter into a successor franchise agreement, you must immediately return to us all Customer Data, stored or copied in any and all formats, in the manner we prescribe. You acknowledge and agree that we own the Customer Data, and you have no right to use, or to transfer or sell to a third party, the Customer Data upon termination or expiration of this Agreement.

15.8 Continuing Obligations

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

15.9 Lost Future Royalties

If we terminate this Agreement based on your default, or if you abandon or otherwise cease to operate the Onyva Franchised Business, you agree to pay to us, as liquidated damages, an amount calculated as follows: *(a)* the average of your monthly Royalty Fees and Brand Fund contributions that are due under this Agreement for the twelve (12) months immediately before your abandonment or our delivery of the notice of default (or, if you have been operating for less than 12 months, the average of your monthly Royalty Fees and Brand Fund contributions for the number of months you have operated the Onyva Franchised Business); *(b)* multiplied by the lesser of 36 or the number of months remaining in the then-current term of this Agreement. A precise calculation of the full extent of damages that we will incur if this Agreement terminates because you default cannot be reasonably determined. Nevertheless, you acknowledge and agree that the lump-sum payment provided under this Section is reasonable in light of the damages for premature termination that we may reasonably be expected to incur in such event. This sum is not a penalty and is intended by the parties only as a compensatory remedy for past breaches and not as a preventative remedy to deter future breaches, nor does this sum represent a price for the privilege of not performing, nor will the payment of this sum represent an alternative manner of performance. Accordingly, as a purely liquidated damage provision, this Section does not preclude, nor is inconsistent with, a court granting us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Our rights to liquidated damages and specific performance or any other equitable relief are not mutually exclusive. The foregoing liquidated damages are in addition to amounts owed under Section 15.1.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You further acknowledge and agree that we are not, and nothing in this Agreement or the Operations Manual is intended to make us, the employer or joint employer of your employees. You shall control and be solely responsible for the day-to-day operation of the Onyva Franchised Business and the terms and conditions of your personnel and employees, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of your employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Onyva Franchised Business personnel and employees, and others as the Onyva Franchised Business's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

16.2 No Liability for Acts of Other Party

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Onyva Franchised Business's operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the Onyva Franchised Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any taxing authority on account of either your operation or payments that you make to us. If you are required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to us, then, to the extent that we are not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by you to us must be increased by such amount as is necessary to make the actual amount we receive (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that we would have received had no tax payment been required; provided that such shortfall is not caused by our negligence in filing the claims, or for reasons that can be solely attributable to us.

16.4 Indemnification

You agree to indemnify, defend, and hold harmless us our affiliates, and our and their respective current and former shareholders, directors, members, managers, officers, employees, agents, attorneys, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, actions, suits, proceedings, demands, investigations, inquiries (formal or informal), settlements, obligations, and damages directly or indirectly arising out of this Agreement, the Onyva Franchised Business's operation, the business you conduct under this Agreement, the actions or inactions of your employees, your failure to comply with applicable laws, or your breach of this Agreement, to the fullest extent permissible under applicable law, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction, including, but not limited to, claims brought by You; provided, however, that this indemnification shall not apply to matters where we have been found liable in a court of competent jurisdiction for causing the costs or claims.

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

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

17. ENFORCEMENT

17.1 Severability, Scope of Covenants and Substitution of Valid Provisions

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

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

You understand and acknowledge that we shall have the right to reduce the scope of any covenant set forth in Sections 7 or 15.4 of this Agreement, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of this Section 17.

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

17.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Onyva Spa Businesses; the existence of franchise agreements for other Onyva Spa Businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war,

acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalty Fees or Brand Fund contributions due afterward.

17.3 Costs and Attorneys' Fees

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs, interest and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees. Additionally, if we incur attorney's fees or other expenses in defending any claim you bring against us, including without limitation, a claim related to the offering of a franchise or the franchise relationship, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees).

17.4 Rights of Parties are Cumulative

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17.5 Mediation

Before you and we may bring an action in court against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation. Notwithstanding anything to the contrary, this Section 17.5 shall not bar you or we from obtaining judicial or injunctive relief for claims that are based solely on demands for money owed, or from obtaining injunctive relief against threatened conduct that will cause it harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks.

The non-binding mediation provided for under this Section 17.5 shall be commenced by the party requesting mediation (the "complainant") providing written notice of the request for mediation (the "request") to the party with whom mediation is sought (the "respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to us if we are not a complainant or respondent.

Non-binding mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

17.6 Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other federal law, this Agreement, the Franchise, the offer, sale and grant of the Franchise, the Onyva Franchised Business, and all claims arising from the relationship between us and you will be governed

by the procedural and substantive laws of the Commonwealth of Massachusetts, without regard to, and without applying, its conflict of laws rules, except that any Massachusetts law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this paragraph. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. You waive, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

17.7 Consent to Jurisdiction

You and your owners agree that all claims between or among you and us must be initiated and litigated exclusively and only in a state or federal court of competent jurisdiction within such state or judicial district in which we have our principal place of business at the time the action is commenced and no other venue, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive all objections you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this Agreement in the courts of the state or states in which you are domiciled or the Onyva Franchised Business is located.

17.8 Waiver of Class Actions

ANY LAWSUIT, CLAIM, COUNTERCLAIM, OR OTHER ACTION MUST BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS, AND MUST NOT BE AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION. YOU HEREBY AGREE NOT TO SEEK JOINDER OF ANY OF YOUR CLAIMS WITH THOSE OF ANY OTHER PARTY.

17.9 Waiver of Punitive Damages and Jury Trial

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 16.4, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

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

17.10 Binding Effect

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly authorized officers.

17.11 Limitations of Claims

ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF YOU AND US, OR YOUR OPERATION OF THE ONYVA FRANCHISED BUSINESS (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR

RECOUPMENT), MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED. OUR CLAIMS ATTRIBUTABLE TO UNDERREPORTING OF SALES AND INSURANCE COVERAGE (SECTION 8.6), AND CLAIMS OF ANY PARTY FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS. AS USED IN THIS SECTION 17.11, "CLAIMS" MEANS ANY ALLEGATION, CHALLENGE, DEMAND, CAUSE OF ACTION, LAWSUIT, ARBITRATION, DISPUTE, CONTROVERSY, INVESTIGATION OR ADMINISTRATIVE PROCEEDING.

17.12 Our Discretion and Judgment

Whenever we have expressly reserved in this Agreement a right and/or discretion (or we are deemed to have a right and/or discretion) to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, which includes what we believe to be the best interests of the franchise network at the time our decision is made or our right or discretion is exercised even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our financial or other individual interest; or (3) our decision or the action we take may apply differently to different franchisees or our company-owned or affiliate-owned operations. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

17.13 Construction

The preambles, background, and exhibits are a part of this Agreement, and this Agreement, and the exhibits and attachments hereto, constitutes the entire, full and complete agreement between the parties hereto, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements. There are no other oral or written understandings or agreements between us and you, or oral representations by us, or written representations by us (other than those set forth in our Franchise Disclosure Document that we provided to you), relating to the subject matter of this Agreement, the franchise relationship, or the Onyva Franchised Business (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). However, and notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim any representations made by us in the Franchise Disclosure Document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Section 16.4, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The

headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchise and the Onyva Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Onyva Franchised Business or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Onyva Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “controlling ownership interest” in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

“Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “Onyva Franchised Business” includes all of the assets of the Onyva Spa Business you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original.

17.14 Time is of the Essence

You and we agree that time is of the essence in your performance of your obligations hereunder. Any failure by you to meet the time limits imposed under this Agreement shall constitute a default under Section 14 of this Agreement, for which we may terminate this Agreement upon notice to you.

18. NOTICES AND PAYMENTS

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual shall be in writing and shall be personally delivered, sent by a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on Attachment 1 of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery. The Operations Manual, any changes that we make to the Operations Manual, and/or any other

written instructions that we provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 18.

19. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.1 above.

20. ACKNOWLEDGMENTS

You acknowledge:

(i) YOU RECEIVED OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (i) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (ii) SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY;

(ii) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; AND

(iii) WE MAY NEGOTIATE TERMS OR OFFER CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW.

Representations. You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your application are accurate and complete and that you have made no misrepresentations or omitted material facts in obtaining the us. This Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally. We have approved your request to purchase a franchise in reliance on all of your representations.

(Signatures appear on the following page)

THE PARTIES HERETO have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

ONYVA FRANCHISING, LLC, a Massachusetts limited liability company

By:
Name: Merritt A. Mulman
Title: CEO
Dated: _____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Name: _____
Title: _____
Dated: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

**ATTACHMENT 1
TO THE FRANCHISE AGREEMENT**

TERRITORY, INITIAL FEE AND ROYALTY

(If there is no Approved Location on the Effective Date, insert: ****TERRITORY AND ADDRESS TO BE DETERMINED AND INSERTED AFTER A ONYVA PREMISES IS IDENTIFIED BY FRANCHISEE AND APPROVED BY FRANCHISOR, IN ACCORDANCE WITH ARTICLE 2 OF THE FRANCHISE AGREEMENT, IN THE SITE SEACH AREA OF _____.**)

1. The Premises of the Franchised Business will be located at: _____

2. The Territory shall be: _____

_____ (as
specified on the Territory description attached to this Attachment 1).

3. The Initial Term of this Agreement will expire 10 years after Opening Date or 5 years after Opening Date if you are buying an existing Onyva Franchised Business (re-sale/transfer; see Section 1.1)

4. The current Technology Fee is: \$350 per month per franchisee beginning on the signing of the Franchise Agreement and then increases to \$675 per month one month prior to the Grand Opening of your Onyva Spa Business.

5. The initial franchise fee shall be: Fifty-Nine Thousand Five Hundred Dollars (\$59,500).

6. The Royalty Fee will be calculated on a weekly basis, according to the weekly accounting and reporting periods established by the Franchisor. The current Royalty Fee is 6.25% of your Gross Revenue. The maximum amount of Royalty Fee that we can set during the term of this Agreement will be Seven and One-Half Percent (7.5%) of your Gross Revenues. We will provide you with thirty (30) days' prior written notice before increasing the Royalty Fee.

7. The designated address for notices under Section 18 of the Agreement should be as follows:

Notices to Franchisor:

Onyva Franchising, LLC
153 Andover Street, Suite 203
Danvers, Massachusetts 02116
Telephone: (617) 597-4959
Attn: _____

Notices to Franchisee:

Telephone: _____
Fax: _____
Attn: _____

(Signatures appear on the following page)

ONYVA FRANCHISING, LLC, a Massachusetts limited liability company

By:
Name: Merritt A. Mulman
Title: CEO
Dated: _____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Name: _____
Title: _____
Dated: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

**ATTACHMENT 2
TO THE FRANCHISE AGREEMENT**

LISTING OF OWNERSHIP INTERESTS

Effective Date: This Attachment 2 is current and complete
as of _____

You and Your Owners

1. Form of Owner.

(a) Individual Proprietorship. Your owner(s) (is) (are) as follows:

(b) Corporation, Limited Liability Company, or Partnership. You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
(a) _____	_____
(b) _____	_____
(c) _____	_____
(d) _____	_____

3. Identification of Managing Owner/Operating Principal. Your Managing Owner/Operating Principal as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Managing Owner or Operating Principal without our prior written approval.

ONYVA FRANCHISING, LLC, a Massachusetts limited liability company

By:
Name: Merritt A. Mulman
Title: CEO
Dated: _____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

By: _____
Name: _____
Title: _____
Dated: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

FRANCHISEE

Name: _____

**ATTACHMENT 3
TO THE FRANCHISE AGREEMENT**

EDTA FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

(Name of Person or Legal Entity)

(FEIN Number)

The undersigned depositor (“**Depositor**”) (“**Franchisee**”) hereby authorizes Onyva Franchising, LLC (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) (“**Bank**”) to debit or credit such account(s) pursuant to Franchisor’s instructions.

Depository

Branch

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor:

Depository:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ATTACHMENT 4
TO THE FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____

_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “Agreement”) on this date by ONYVA FRANCHISING, LLC (“us,” “we,” or “our”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements; provided, however, that this guaranty to pay monetary obligations arising under the Agreement shall be limited to royalty fees, software fees, marketing fees, other periodic fees and payments owed to us, and any claims under the indemnification provisions of the Agreement (including, without limitation, Section 16.4), and any judgments or claims that are reduced to monetary claims; provided, however, that the maximum financial obligation under this Guaranty shall be limited to \$100,000 per guarantor, per occurrence.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; provided, however, that in the event of a complete and total transfer of all assets and ownership interests in Franchisee and in the Franchised Business, such that a Guarantor has no ownership interest in Franchisee on the Franchised Business (“Transfer”), this Guaranty shall terminate as of the date of the Transfer with respect to any obligations that arise as of or after the Transfer.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants’,

attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in a state or federal court of competent jurisdiction in the state or judicial district in which we have our principal place of business at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and judgment orders in the courts of the state or states in which he or she is domiciled.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP IN FRANCHISEE
_____ Name:: _____	_____%
_____ Name:: _____	_____%
_____ Name:: _____	_____%
_____ Name:: _____	_____%

**ATTACHMENT 5
TO THE FRANCHISE AGREEMENT**

PERSONAL COVENANTS

To Be Signed By: All Persons Having a Equity Interest in Franchisee; and Franchisee's Operating Principal, Directors, Officers, and Management Employees

Each undersigned ("you") agrees that:

1. All capitalized terms used but not defined in these Personal Covenants shall have the meanings set forth in that certain Onyva Franchise Agreement between Onyva Franchising, LLC ("Franchisor") and _____ ("Franchisee") dated as of the _____ ("Franchise Agreement").

2. You are an Owner of Franchisee, or you are a director, officer, or management employee of Franchisee; and as such, you expect to or will gain a direct personal benefit from the Franchise Agreement.

3. As an inducement to Franchisor to enter into the Franchise Agreement, and in consideration of the direct and personal benefits you will derive from the Franchise Agreement, you agree that: (i) you have read and understand all the provisions of Section 7, Section 15.3 and 15.4 of the Franchise Agreement; (ii) you will be personally bound by all of the obligations and covenants of Franchisee contained in Section 7, Section 15.3 and Section 15.4 as if such obligations and covenants were made and given personally by you directly to Franchisor; and (iii) such obligations and covenants are fair and reasonable and will not deprive you of your livelihood.

4. If any provision contained in Section 7, Section 15.3 and Section 15.4 of the Franchise Agreement is held by a court of competent jurisdiction to be unenforceable as applied to you, then such unenforceable provision may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed, and the remainder of Section 7, Section 15.3 and Section 15.4 shall remain in full force and effect.

5. These personal covenants shall be governed by the internal laws of the Commonwealth of Massachusetts.

The undersigned hereby execute and deliver this instrument effective as of the date set forth beneath their signatures.

Name: _____

Name: _____

Name: _____

Name: _____

Date: _____

Date: _____

**ATTACHMENT 6
TO THE FRANCHISE AGREEMENT**

PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

- i. Approve the annual budget of the Franchised Business;
- ii. Have control over the bank accounts of the Franchised Business; AND
- iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

EXHIBIT B

MULTI-UNIT DEVELOPMENT AGREEMENT

**ONYVA FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT**

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LIST OF ATTACHMENTS

ATTACHMENT 1: DEVELOPMENT AREA

ATTACHMENT 2: DEVELOPMENT FEE AND MANDATORY DEVELOPMENT SCHEDULE

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between Onyva Franchising, LLC, a Massachusetts limited liability company with its principal place of business at 153 Andover Street, Suite 203, Danvers, Massachusetts 02116 (herein "Franchisor") and _____, an individual residing at _____ and _____, an individual residing at _____ (herein "Developer").

RECITATIONS

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

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

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

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

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

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 and Attachment 2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 1 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

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

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

2 GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the

Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.1 hereof, the right to develop, construct, open and operate one (1) Onyva Spa Business within the Development Area set forth in Attachment 1. Developer shall be granted rights to establish additional Onyva outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Attachment 2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Section 4.1 hereof.

- 2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of Onyva products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to offer (i) other products or services that are not the same as or similar to the products or services offered at Onyva Spa Businesses under other trademarks or service marks inside or outside the Development Area, (ii) other Onyva Spa Businesses or pet care and grooming concepts under other trademarks or service marks outside the Development Area, and (iii) products or services through any channel other than a dedicated Onyva Spa Business, such as distribution through retail outlets, including but not limited to, captive market locations, such as airports, arenas, hotels, or similar public venues, and the Internet, within or outside the Development Area.
- 2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a Onyva Spa Business, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more Onyva Spa Businesses in the Development Area only. Developer's rights to open and operate a Onyva Spa Business and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each Onyva Spa Business to be established in the Development Area.

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

4 DEVELOPMENT AND FRANCHISE FEES.

- 4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Multi-Unit Operator shall pay Franchisor a development fee (the "Development Fee") as outlined in Attachment 2 hereto. **The Development Fee is fully earned at the time this Multi-Unit Operator Agreement is signed and is not refundable under any circumstances.** Multi-Unit Operator shall pay the full amount of the Development Fee to Franchisor upon Multi-Unit Operator's execution of this Agreement.
- 4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first Onyva Spa Business to be established pursuant to the Mandatory Development Schedule. Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee due under the initial Franchise Agreement. The Initial Franchise Fee is discounted for the

second and each additional outlet. Upon the execution of each of additional Franchise Agreement for outlets to be developed hereunder, Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the full amount of the Initial Franchise Fee payable pursuant to each such additional Franchise Agreement. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Onyva Spa Business pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5 EXERCISE OF DEVELOPMENT RIGHTS.

- 5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each Onyva Spa Business for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first Onyva Spa Business to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent Onyva Spa Business to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.1 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional Onyva Spa Business. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's Onyva Spa Business in the Development Area.
- 5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first Onyva outlet, Developer shall execute an additional Franchise Agreement for the development of the second Onyva outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent Onyva outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next Onyva outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the Onyva outlets in accordance with the Mandatory Development Schedule in Attachment 2 hereto. Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.
- 5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. All time extension requests must be submitted in writing to Franchisor within sixty

(60) days prior to the Development Deadline for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Development Deadline; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

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

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

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

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

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

6 TRANSFER

6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall

require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

- 6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's locations).
- 6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the pet grooming and supply business or to offer or sell any products or services to Developer.
- 6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.
- 6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:
 - 6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.
 - 6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple Onyva Spa Businesses and to comply with this Agreement;
 - 6.3.3 The transferee has agreed to complete Franchisor's New Owner Training Program to Franchisor's satisfaction;
 - 6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;
 - 6.3.5 The transferee has executed Franchisor's then-standard form of Multi-Unit Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;
 - 6.3.6 Developer and the transferee shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities,

including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;

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

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

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee for each outlet remaining to be developed in accordance with the Mandatory Development Schedule.

6.5 Franchisor 's Right of First Refusal.

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

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

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

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

- 6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the development rights granted by this Agreement will terminate, unless prohibited by applicable law. If prohibited by applicable law, the executor, administrator, conservator or other personal representative of Developer will transfer Developer's interest in this Agreement within twelve (12) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Developer from supervising the development and operation of Developer's Onyva outlets.

7 DEFAULT AND TERMINATION.

- 7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's Onyva outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.
- 7.2 Defaults with No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:
- 7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;
 - 7.2.2 falsifies any report required to be furnished Franchisor hereunder;
 - 7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's Onyva Spa Businesses, including, but not limited to, the failure to pay taxes;
 - 7.2.4 fails to develop the Onyva Spa Businesses in accordance with the Mandatory Development Schedule.

- 7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;
 - 7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;
 - 7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;
 - 7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;
 - 7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor, or any of Franchisor's affiliates or suppliers, or a landlord and does not cure such default within the time period provided in such other agreement; or
 - 7.2.10 terminates this Agreement without cause.
- 7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:
- 7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Section 7.2;
 - 7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.
- 7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8 NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

- 8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of a Onyva Spa Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of Onyva Spa Businesses under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.
- 8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.
- 8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement, Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of Onyva Spa Businesses, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:
- 8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's Onyva Spa Businesses or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any dog grooming business; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Onyva Boutique developers or franchisees or Franchisor-affiliated outlets.
- 8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and

continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's Onyva Spa Businesses or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any dog grooming business within ten (10) miles of the Development Area or any Onyva location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Onyva Spa Business developers or franchisees.

- 8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.
- 8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.
- 8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.
- 8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

9 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS ONYVA FRANCHISING, LLC, AND ANY ITS PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "ONYVA INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S ONYVA SPA BUSINESS TO BE DEVELOPED HEREUNDER, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO ANY OF SUCH ONYVA SPA BUSINESS, WHETHER CAUSED BY DEVELOPER'S AGENTS OR EMPLOYEES, OR ARISING FROM DEVELOPER'S ADVERTISING OR BUSINESS PRACTICES, REGARDLESS OF WHETHER THE ALLEGED

INJURY OR LIABILITY IS CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF THE ONYVA INDEMNITEES. DEVELOPER AGREES TO PAY FOR ALL THE ONYVA INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE ONYVA INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE ONYVA INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE ONYVA INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE ONYVA INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE ONYVA INDEMNITEES.

Initial

10 DISPUTE RESOLUTION

- 10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Exhibits hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 11.7 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.
- 10.2 Mediation. Any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Any such mediation shall be non-binding and shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally.
- 10.3 Exceptions. Notwithstanding the requirements of Sections 10.2, the following claims shall not be subject to mediation:
- 10.3.1 Franchisor's claims for injunctive or other extraordinary relief;
 - 10.3.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;
 - 10.3.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and
 - 10.3.4 enforcement of Developer's post-termination obligations, including but not limited to,

Developer's non-competition covenants.

- 10.4 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the Commonwealth of Massachusetts. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the Commonwealth of Massachusetts. Developer, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Essex County, Massachusetts. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.
- 10.5 Mutual benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.4 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.
- 10.6 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.
- 10.7 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.
- 10.8 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and court costs incurred.
- 10.9 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

11 GENERAL

- 11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be

detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the Onyva Spa Businesses.

- 11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.
- 11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.
- 11.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, except the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.
- 11.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.
- 11.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.
- 11.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.
- 11.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.
- 11.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be

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

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

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

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

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

FRANCHISOR:
ONYVA FRANCHISING, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO
Dated: _____

DEVELOPER:

Name: _____

DEVELOPER:

Name: _____

ATTACHMENT 1

DEVELOPMENT AREA

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

ACCEPTED:

FRANCHISOR:
ONYVA FRANCHISING, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO
Dated: _____

DEVELOPER:

Name: _____

DEVELOPER:

Name: _____

ATTACHMENT 2

DEVELOPMENT FEE AND MANDATORY DEVELOPMENT SCHEDULE

A. The Agreement authorizes and obligates the Developer to establish and operate _____ (____) “Onyva” outlets, pursuant to a Franchise Agreement for each outlet in the Development Area.

B. The following is Developer’s Mandatory Development Schedule:

Outlet Number	Outlet Open and Operating by (“Development Deadline”)	\$_____ Development Fee, per Section 4.1, paid on _____ (“Effective Date”)
One (1)		
Two (2)		
Three (3)		
Four (4)		

ACCEPTED:

FRANCHISOR:
ONYVA FRANCHISING, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO
Dated: _____

DEVELOPER:

Name: _____

DEVELOPER:

Name: _____

EXHIBIT C

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	New York State Department of Law Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, State Capitol, 14th Floor, Dept. 414, Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT D

FRANCHISED OUTLETS

(as of December 31, 2024)

None.

Franchise Agreements Signed but Outlet Not Open as of December 31, 2024.

FLORIDA	
Let's Go South Tampa, LLC Jorge Giraldo, Jaimi-Lin Ruiz, Cesar Ruiz (813) 444-5228	Let's Go South Tampa, LLC Jorge Giraldo, Jaimi-Lin Ruiz, Cesar Ruiz jruiz@onyvadogspa.com

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

Former Franchisees

Franchisees that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with the franchisor within the 10 weeks preceding the Issuance Date of this Disclosure Document:

None.

EXHIBIT E
FINANCIAL STATEMENTS

ONYVA FRANCHISING, LLC
REPORT ON THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members and Management of
Onyva Franchising, LLC

Opinion

We have audited the accompanying financial statements of Onyva Franchising, LLC (a Massachusetts corporation) which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Onyva Franchising, LLC as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Onyva Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Onyva Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Maney Costeiran PC

April 22, 2025

ONYVA FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 50,525	\$ 166,301
Accounts receivable - related party	-	2,800
Employee advances, net of allowance for credit losses	1,865	-
Merchandise inventory	<u>318</u>	<u>-</u>
Total current assets	<u>52,708</u>	<u>169,101</u>
Property and equipment, less accumulated depreciation	<u>2,464</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 55,172</u></u>	<u><u>\$ 169,101</u></u>
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
LIABILITIES		
Accounts payable	\$ 468	\$ 2,971
Accounts payable, related party	693,078	332,742
Note payable, related party	50,000	-
Accrued liabilities	<u>7,696</u>	<u>5,868</u>
TOTAL LIABILITIES	<u>751,242</u>	<u>341,581</u>
MEMBERS' EQUITY (DEFICIT)		
Paid-in capital	88,000	200,000
Retained deficit	<u>(784,070)</u>	<u>(372,480)</u>
TOTAL MEMBERS' EQUITY (DEFICIT)	<u>(696,070)</u>	<u>(172,480)</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	<u><u>\$ 55,172</u></u>	<u><u>\$ 169,101</u></u>

See notes to financial statement.

ONYVA FRANCHISING, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUE		
Franchise fees	\$ 94,500	\$ -
Technology fees	<u>2,100</u>	<u>-</u>
TOTAL REVENUE	96,600	-
COST OF SALES	<u>67,307</u>	<u>-</u>
Gross profit on sales	29,293	-
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	<u>440,282</u>	<u>358,630</u>
Income (loss) from operations	<u>(410,989)</u>	<u>(358,630)</u>
OTHER INCOME AND (EXPENSES)		
Interest expense	<u>(601)</u>	<u>-</u>
NET LOSS	<u><u>\$ (411,590)</u></u>	<u><u>\$ (358,630)</u></u>

See notes to financial statements.

ONYVA FRANCHISING, LLC
STATEMENTS OF MEMBERS' EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Additional Paid-in Capital</u>	<u>Retained Deficit</u>	<u>Total</u>
BALANCE, December 31, 2022	\$ -	\$ (13,850)	\$ (13,850)
Net loss	-	(358,630)	(358,630)
Contributions	<u>200,000</u>	<u>-</u>	<u>200,000</u>
BALANCE, December 31, 2023	200,000	(372,480)	(172,480)
Net loss	-	(411,590)	(411,590)
Contributions	88,000	-	88,000
Distributions	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
BALANCE, December 31, 2024	<u><u>\$ 88,000</u></u>	<u><u>\$ (784,070)</u></u>	<u><u>\$ (696,070)</u></u>

See notes to financial statements.

ONYVA FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Net loss	\$ (411,590)	\$ (358,630)
Adjustments to reconcile net loss to net cash provided (used) by operating activities		
Depreciation	85	-
Changes in assets and liabilities		
Accounts receivable - related party	2,800	(2,800)
Accounts payable	(2,503)	2,971
Accrued liabilities	1,828	5,868
Inventory	(318)	-
Employee advances, net of allowance for credit losses	(1,865)	-
Accounts payable, related parties	360,336	318,892
Total adjustments	360,363	324,931
Net cash used by operating activities	(51,227)	(33,699)
Cash flows from investing activities		
Acquisition of property and equipment	(2,549)	-
Cash flows from financing activities		
Note payable, related party	50,000	-
Contributions	88,000	-
Distributions	(200,000)	200,000
Net cash provided (used) by financing activities	(62,000)	200,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(115,776)	166,301
CASH AND CASH EQUIVALENTS, beginning of year	166,301	-
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 50,525</u>	<u>\$ 166,301</u>

See notes to financial statements.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement of Onyva Franchising, LLC ("The Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Credit Losses

The Company is exposed to credit losses primarily through sales of services. Accounts receivable represent the Company's unconditional right to consideration in exchange for services that the Company has provided to the customer based on contracted prices. Accounts receivable are recorded when invoices are issued and are presented on the balance sheet at the amount management expects to collect. Management provides for probable uncollectible amounts through credit losses expense and an adjustment to the allowance for credit losses. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

The Company evaluates contract terms and conditions, economic and industry risk, customer credit worthiness, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectable after all collection efforts have been exhausted. See Note 2 regarding concentrations of credit risk.

Activity related to the allowance for credit losses was as follows:

	2024	2023
Balance at January 1,	\$ -	\$ -
Provision charges	3,964	-
Credit losses charged against the allowance	(2,100)	-
Balance at December 31,	<u>\$ 1,864</u>	<u>\$ -</u>

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. The Company capitalizes major maintenance to property and equipment that benefit future periods. Routine maintenance and repairs are charged to expense when incurred.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue from contracts with customers is generated from royalties paid by franchisees based on weekly gross sales. Performance obligations identified in the contracts are satisfied when the sale is generated by the franchisee, which is the point when control is transferred to the customers, when the significant risk and rewards of ownership have been completed, and there are no significant obligations remaining. The Company also receives franchise fees, which are recognized at a point in time upon completion of all significant initial services and signing of the franchise agreement. The Company also receives a technology fee for providing POS systems to franchisee stores based on a fixed rate. Technology fee revenue is recognized at a point in time when the technology services are provided. The amount of revenue recognized reflects consideration the Company receives or expects to be entitled to in exchange for the goods and services provided. Revenue is recorded net of expected discounts, rebates, and allowances.

Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenues on gross basis) or agent (i.e., reports revenue on a net basis) in the contract. Principal or agent designations depend primarily on the control the entity has over the product or service before control is transferred to the customer. The indicators of which party exercises control include primary responsibility over performance, inventory risk before the good or service is transferred, and the discretion in establishing the price. The Company has determined they are the agent in their transactions.

Income Taxes

The Company is a limited liability company and has elected to be taxed as a partnership under the Internal Revenue Code. Accordingly, the current period income will be included on the income tax return of the members. Additionally, any adjustments determined pursuant to IRS examinations would similarly be reflected on the income tax returns of the members. Therefore, no provision or liability for either current federal income taxes or the effects of IRS examinations on prior years' federal income taxes have been included in the financial statements.

Advertising

Advertising costs are charged to operations when incurred. Advertising expenses were \$20,196 and \$0 for the years ending December 31, 2024 and 2023, respectively.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - NATURE OF THE ORGANIZATION, RISKS, AND UNCERTAINTIES

The Company is the franchisor of Onyva (the “Onyva Spa Business” or “Onyva Franchised Business”). The Company was established on October 14, 2022. The Company intends to maintain franchises in several states which will operate customer-focused (canine and human), high-touch, service-based dog grooming spas under the name Onyva.

The Company is exposed to credit losses in the event of nonperformance by the counterparties to the Company’s financial instruments. Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash deposits and accounts receivable. The Company’s investment policy requires cash deposits to be placed with high-quality financial institutions that are FDIC or NCUA insured and to limit the amount of credit risk from any one issuer. The Company regularly evaluates the credit standing of its counterparty financial institutions. Although such cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

In addition, the Company recognizes an allowance for credit losses at the time a receivable is recorded based on management’s estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Company evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Company is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Company performs ongoing credit evaluations of its customers’ financial condition whenever deemed necessary. The Company evaluates and maintains, if necessary, an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical credit losses, specific customer creditworthiness and current economic trends. Management believes that the Company’s concentration of credit risk is a result of 100% of revenue being generated from one franchisee in 2024.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to the allocation of wages to Onyva Franchising, LLC. Actual results may differ from estimated amounts.

In preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by various taxing authorities for a period of three to four years.

The Company has evaluated events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 22, 2025, which is the date the financial statements were available for issuance.

The Company is obligated in accordance with the terms of each franchisee’s respective franchise agreement, to provide the following supervision assistance and services: training and pre-opening assistance, operations manual, continuing assistance, advertising and promotion supplies and pricing.

The Company has one franchised outlet that was sold but not yet opened during 2024. The Company has no other franchisees.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company's members control and operate an affiliate, Mulman Dog Wash, LLC, under similar terms to other franchisees. The members also control and operate Mulman Pet Service, Inc., and Mulman Health Services, Inc. The Company applies the accounting alternative and disclosures provided to private companies pursuant to generally accepted accounting principles in not including the financial results of the related parties under common control. Amounts due from or to related parties were for operational costs and management fees. The Company also had a short-term note payable to a member for \$50,000 at December 31, 2024. The note payable was repaid in January 2025.

Accounts receivable due from related parties as of December 31, 2024 and 2023 are as follows:

Accounts Receivable, related party	2024	2023
Mulman Pet Service, Inc	\$ -	\$ 2,800

Accounts payable to related parties as of December 31, 2024 and 2023 are as follows:

Accounts Payable, related parties	2024	2023
Mulman Dog Wash, LLC	\$ 604,410	\$ 277,501
Mulman Health Services	76,140	45,241
Merritt Mulman, member	-	10,000
Mulman Pet Service, Inc	12,528	-
Total	\$ 693,078	\$ 332,742

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31 is summarized by major classification as follows:

	Useful Life - Years	2024	2023
Computers	5	\$ 2,549	\$ -
Less accumulated depreciation		(85)	-
Net property, plant and equipment		\$ 2,464	\$ -

Depreciation expense was \$85 and \$0 for the years ended December 31, 2024 and 2023, respectively.

ONYVA FRANCHISING, LLC
REPORT ON THE FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members and Management of
Onyva Franchising, LLC

Opinion

We have audited the accompanying balance sheet of Onyva Franchising, LLC (a Massachusetts corporation) as of December 31, 2023, and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Onyva Franchising, LLC as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Onyva Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Onyva Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Maney Costerian PC

April 24, 2024

ONYVA FRANCHISING, LLC
BALANCE SHEET
DECEMBER 31, 2023

ASSETS

Cash and cash equivalents	\$ 166,301
Accounts receivable - related party	<u>2,800</u>
TOTAL ASSETS	<u>\$ 169,101</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Accounts payable	\$ 2,971
Accounts payable, related party	332,742
Accrued liabilities	<u>5,868</u>
TOTAL LIABILITIES	<u>341,581</u>

MEMBERS' EQUITY

Paid-in capital	200,000
Retained deficit	<u>(372,480)</u>
TOTAL MEMBERS' EQUITY	<u>(172,480)</u>

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 169,101</u>
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ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENT

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statement of Onyva Franchising, LLC ("The Company") have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Credit Losses

The Company is exposed to credit losses primarily through sales of services. Accounts receivable represent the Company's unconditional right to consideration in exchange for services that the Company has provided to the customer based on contracted prices. Accounts receivable are recorded when invoices are issued and are presented on the balance sheet at the amount management expects to collect. Management provides for probable uncollectible amounts through credit losses expense and an adjustment to the allowance for credit losses. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

The Company evaluates contract terms and conditions, economic and industry risk, customer credit worthiness, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectable after all collection efforts have been exhausted. See Note 2 regarding concentrations of credit risk.

Currently, management has determined the value of an allowance for credit losses is immaterial and the recording of such balance is not considered necessary.

Income Taxes

The Company is a limited liability company and has elected to be taxed as a partnership under the Internal Revenue Code. Accordingly, the current period income will be included on the income tax return of the members. Additionally, any adjustments determined pursuant to IRS examinations would similarly be reflected on the income tax returns of the members. Therefore, no provision or liability for either current federal income taxes or the effects of IRS examinations on prior years' federal income taxes have been included in the financial statements.

Advertising

Advertising costs are charged to operations when incurred.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENT

NOTE 2 - NATURE OF THE ORGANIZATION, RISKS, AND UNCERTAINTIES

The Company is the franchisor of Onyva (the “Onyva Spa Business” or “Onyva Franchised Business”). The Company was established October 14, 2022. The Company intends to maintain franchises in several states which will operate customer-focused (canine and human), high-touch, service-based dog grooming spas under the name Onyva.

The Company is exposed to credit losses in the event of nonperformance by the counterparties to the Company’s financial instruments. Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash deposits, and accounts receivable. The Company’s investment policy requires cash deposits to be placed with high-quality financial institutions that are FDIC or NCUA insured and to limit the amount of credit risk from any one issuer. The Company regularly evaluates the credit standing of its counterparty financial institutions. Although such cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

In addition, the Company recognizes an allowance for credit losses at the time a receivable is recorded based on management’s estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Company evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Company is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Company performs ongoing credit evaluations of its customers’ financial condition whenever deemed necessary. The Company evaluates and maintains, if necessary, an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical credit losses, specific customer creditworthiness and current economic trends. Management believes that the Company’s concentration of credit risk is limited because of its large number of customers, credit quality of the customer base, small account balances for most of these customers, and customer geographic diversification.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. There are no significant estimates in the current year.

The Company has evaluated events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 24, 2024, which is the date the financial statements were available for issuance.

The Company is obligated in accordance with the terms of each franchisee’s respective franchise agreement, to provide the following supervision assistance and services: training and pre-opening assistance, operations manual, continuing assistance, advertising and promotion supplies and pricing.

There are currently no franchisees.

ONYVA FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENT

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company's members control and operate an affiliate, Mulman Dog Wash, LLC, under similar terms to other franchisees. The members also control and operate Mulman Pet Service, Inc., and Mulman Health Services, Inc. The Company applies the accounting alternative and disclosures provided to private companies pursuant to generally accepted accounting principles in not including the financial results of the related parties under common control. Amounts due from or to related parties were for operational costs and management fees.

Accounts receivable due from related parties at December 31, 2023:

Mulman Pet Service, Inc	<u>\$ 2,800</u>
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Accounts payable to related parties at December 31, 2023 are as follows:

Mulman Dog Wash, LLC	\$ 277,501
Mulman Health Services, Inc.	45,241
Merritt Mulman, member	<u>10,000</u>
Total	<u>\$ 332,742</u>

NOTE 4 - ADOPTION OF A NEW ACCOUNTING STANDARD

For the year ended December 31, 2023, the Company implemented the following new pronouncement: Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326) ("ASU 2016-16").

Summary:

In June 2016, the FASB issued ASU 2016-13 and thereafter issued additional ASUs to clarify and update the guidance in ASU 2016-13 (collectively, "CECL"). The objective of ASU 2016-13 is to provide financial statement users with more decision-useful information about current expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Company adopted the new standard on January 1, 2023 using the modified-retrospective approach.

The Company determined that the adoption of ASU 2016-13 did not have a material impact on members' equity, assets, or liabilities as of the date of adoption and primarily resulted in enhanced disclosures.

**THESE FINANCIAL STATEMENTS ARE PREPARED
WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES
OR SELLERS OF FRANCHISES SHOULD BE ADVISED
THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS
AUDITED THESE FIGURES OR EXPRESSED AN
OPINION WITH REGARD TO THE CONTENT OR FORM.**

EXHIBIT F

TABLE OF CONTENTS FOR MANUAL



FRANCHISE OPERATIONS MANUAL

Table of Contents 289 Pages

PREFACE FOR MANUAL (8 Pages)

The Manual Organization (P-1)

The Purpose of this Manual (P-2)

The Importance of Confidentiality (P-3)

Keeping the ONYVA Franchise Operations Manual Current (P-4)

Submitting Suggestions to the Home Office (P-5)

Requesting a Variance (P-6)

Manual Disclaimer (P-7)

A. INTRODUCTION (15 Pages)

Welcome Letter (A-1)

ONYVA Mission (A-2)

ONYVA Values (A-3)

The ONYVA Story (A-4)

Services Provided to the ONYVA Franchisee (A-5)

Responsibilities of the ONYVA Franchisee and Staff (A-10)

Visits from the Home Office (A-13)

Paying Other Fees (A-15)

B. PRE-OPENING PROCEDURES (54 Pages)

Introduction (B-1)

Opening Timeline & Checklist (B-2)

Business Planning (B-3)

Market Analysis (B-6)

Establishment of Business Form and Identity (B-9)

Site Selection Process (B-10)

- Site Selection Criteria

- Market Study

- Space/Lot Requirements

- Obtaining Site

- Lease Considerations

Building Out the Facility (B-17)

- Architectural Plans

- Construction Criteria

- Décor Specifications

- Plan Review and Required Approvals/Acceptance

- Facility Construction

- Final Inspection

Equipment Specifications (B-35)

Initial Inventory (B-36)

Contracting with Required Utilities and Services (B-38)

Obtaining Required Licenses and Permits (B-40)

Setting Up Bank Accounts (B-42)

Procuring Required Insurance Policies (B-44)

Meeting Your Tax Obligations (B-46)

Conducting a Grand Opening (B-48)

- Media Event

Grand Opening Activities (VIP Night, Friends and Family, Soft Opening)

C. HUMAN RESOURCES (56 Pages)

Introduction (C-1)

EEOC Guidelines in Hiring Employees (C-2)

Wage and Labor Laws (C-7)

Immigration Reform Act (C-11)

I-9 Form Requirement

Americans With Disabilities Act (C-12)

Profile of the Ideal ONYVA Employee (C-13)

Job Descriptions (C-15)

Owner/Operator/GM – FOH / Business

Skin and Coat Technician

Level 100

Level 200

Level 300

Spa Manager

Assistant Spa Manager

Receptionist

Recruiting Employees (C-17)

Getting the Word Out

Evaluating the Application

Conducting Interviews

Sample Interview Questions

Testing Procedures

Background Check Procedures

Reference Check Procedures

Hiring on a Trial Period (C-24)

Completing Necessary Paperwork (C-25)

New Team Member Paperwork Checklist

New Team Member Paperwork

Team Member Onboarding (C-26)

C. Orientating New Team Members
HUMAN RESOURCES (continued)

Initial Training of New Team Members
Training Tests
Ongoing Training Process

Personnel Policies (C-35)

Schedule and Time-Tracking Procedures – (C-41)

Uniform and Dress Code (C-43)

Conducting Performance Evaluations (C-46)

Progressive Discipline Procedures (C-50)

Performance Warning

Separation/Termination Procedures (C-53)

Termination Checklist
Exit Interview

D. DAILY SPA PROCEDURES (15 Pages)

Introduction (D-1)

Suggested Hours of Operation (D-2)

Hours of Operation
Hours for Private Events

Front-of-the-House Daily Procedures (D-3)

Opening Procedures
Shift-Change Procedures
Ongoing Procedures
Closing Procedures

Back-of-the-House Daily Procedures (D-4)

Opening Procedures
Shift-Change Procedures
Ongoing Procedures

Closing Procedures

D. DAILY SPA PROCEDURES (Continued)

Service Offerings and Memberships (D-5)

Staff Scheduling (D-10)

New Client Onboarding (D-12)

E. MANAGING AN ONYVA SPA (47 Pages)

Introduction (E-1)

Management Daily Procedures (E-2)

Opening Procedures

Shift-Change Procedures

Closing Procedures

Managing Personnel (E-3)

Developing Efficient Schedules

Team Member Assignment Chart

Motivating Team Members

Coaching Team Members

Communicating with Team Members (Text, Message Board, etc.)

Hosting Team Member Meetings

Managing the Client Experience (E-18)

Communicating with Guests

Maintaining a Positive Environment

Audio and Visual (E-23)

Audio Standards

Visual Standards

Inventory Management (E-25)

Ordering Procedures

Receiving Procedures

Inventory Rotation

Storing Procedures

Tracking Inventory and Waste

Approved Suppliers
Changing Approved Suppliers

E. MANAGING AN ONVYA SPA (continued)

Operational and Financial Reporting (E-29)

Features of the POS System
Generating all Necessary Reports

Financial Management (E-32)

Labor Management
Cost Management
Financial Statements

Loss Prevention Techniques (E-37)

Cash Control System
Inventory Controls
Asset Controls

Franchise Reporting Requirements (E-42)

Royalty Payment
Advertising Contributions
Financial Statements

Crisis Communication Guidelines (E-44)

F. SERVICE PROCEDURES (20 Pages)

Introduction (F-1)

Understanding the Services Offered (F-2)

Establishing Pricing (F-5)

Reviewing the Day's Schedule of Appointments (F-6)

Answering the Phone and Handling Inquiries (F-7)

Ongoing Client Communication (F-8)

Client Retention Techniques (F-9)

Handling Customer Complaints (F-10)

F. SERVICE PROCEDURES (continued)

Handling Refund Requests (F-11)

Scheduling Appointments (F-12)

- Appointment Reminder Calls
- Rescheduling and Cancellations

Checking Clients In and Out (F-14)
Procedure Consent Forms/Intake Forms

Room and Table Set Up (F-15)

Collecting Payments (F-17)

Spa Equipment Maintenance (F-18)

Aftercare Instructions – within the Care Plan instructions (F-20)

G. CLEANING AND MAINTENANCE PROCEDURES (17 Pages)

Introduction (G-1)

Cleaning Philosophy (G-2)

- Bathing and Grooming Room Inspection

Cleaning Procedures (G-5)

- Daily Procedures
- Weekly Procedures
- Monthly Procedures
- Quarterly Procedures
- Cleaning Checklists

Maintenance Procedures (G-5)

- Required Maintenance Schedule
- Conducting Inspections
- Conducting Materials Inspection
- Using the Inspection Checklist

Performing Repairs (G-14)

Maintenance and Repair Paperwork (G-16)

H. MARKETING AND PROMOTION (27 Pages)

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Developing a Marketing Plan (H-2)

Marketing Calendar

Promoting ONYVA in Your Area (H-6)

Use of Media (Traditional Media, Social Media, Gorilla Marketing)

Internal Marketing

External Marketing

Sponsorship (H-18)

Guidelines for Using ONYVA's Marks (H-19)

Logo and Signage Specifications (H-20)

Required Advertising Expenditures (H-21)

System-wide Advertising Contribution

Local Advertising Requirement

Grand Opening Advertising Requirement

Public Relations (H-22)

Media Requests

Media Interview

Community Involvement (H-24)

Fundraising Events

Use of ONYVA Space

Obtaining Advertising Approval (H-26)

APPENDICES (30 PAGES)

- Forms Appendix
- ONYVA Brand Guide Appendix
- POS User Manual

ONYVA Franchise Operations Manual Preliminary Outline (continued)

- Services Appendix
- Approved Suppliers Appendix

EXHIBIT G
STATE-ADDENDA

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.

(b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(c) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

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

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

The Franchised Disclosure Document, Franchise Agreement and Multi-Unit Development Agreement are amended to state

“Franchisor must deferral initial franchise and development fees until franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations (Section 200.508 of the Rules). The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.”

(Signatures appear on the following page)

THE PARTIES hereto have duly executed, sealed and delivered this Addendum on _____.

FRANCHISOR
Onyva Franchising, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO

FRANCHISEE (Entity)

By: _____
Name: _____
Title: _____

FRANCHISEE (Principal)”

Name: _____

**MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE
AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT**

1. Item 17 of the Franchise Disclosure Document is amended to disclose: The Franchise Agreement and Multi-Unit Development agreement provides as follows:

(a) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

(b) Pursuant to COMAR 02.02.08.16L, any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, sale, assignment and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

(d) This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

(e) Franchisee is permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Item 13 and Item 14 of the Franchise Disclosure Document are amended to state all representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Article 20 of the Franchise Agreement titled “Acknowledgement” is void.

4. The Franchise Agreement, Multi-Unit Development Agreement and Franchisee Acknowledgment are amended to include the following statement: “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 *et seq.*, are met independently without reference to this Amendment.

6. **“EXHIBIT H TO THE ONYVA FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT: FRANCHISEE COMPLIANCE CERTIFICATION” is void in Maryland and should not be signed by Maryland franchisees.**

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

8. Item 5 of the Franchise Disclosure Document, the Franchise Agreement and the Multi-Unit Development agreement are amended to follows

“Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.”

The parties hereto have duly executed this Maryland Amendment

FRANCHISOR
Onyva Franchising, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO

FRANCHISEE (Entity)

By: _____
Name: _____
Title: _____

FRANCHISEE (Principal)”

Name: _____

NEW YORK STATE ADDENDUM TO FDD

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

The parties hereto have duly executed this New York Amendment

FRANCHISOR
Onyva Franchising, LLC

By: _____
Name: Merritt A. Mulman
Title: CEO

FRANCHISEE (Entity)

By: _____
Name: _____
Title: _____

FRANCHISEE (Principal)”

Name: _____

**RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT**

1. Items 17v. and 17w., under the provisions entitled “Choice of forum” and “Choice of law,” shall be supplemented with the following language:

However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

4. The following language shall be added at the end of Section 20.5 of the Franchise Agreement:

Notwithstanding the above, Rhode Island franchisees are permitted to bring a lawsuit in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Amendment.

The parties hereto have duly executed this Rhode Island Amendment.

FRANCHISOR

Onyva Franchising, LLC

By: _____

Name: Merritt A. Mulman

Title: CEO

FRANCHISEE (Entity)

By: _____

Name: _____

Title: _____

FRANCHISEE (Principal)”

Name: _____

**VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT**

1. The following statements are added to Item 17.h.

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment.

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

4. The Franchise Disclosure Document and Franchise Agreement is amended are amended to state:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

5. The Franchise Disclosure Document and Multi-Unit Development Agreement are amended to state:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

(Signatures appear on the following page)

THE PARTIES hereto have duly executed this Virginia Amendment.

FRANCHISOR

Onyva Franchising, LLC

By: _____

Name: Merritt A. Mulman

Title: CEO

FRANCHISEE (Entity)

By: _____

Name: _____

Title: _____

FRANCHISEE (Principal)”

Name: _____

FRANCHISEE (Principal)”

Name: _____

DEVELOPER:

Name: _____

DEVELOPER:

Name: _____

EXHIBIT H

GENERAL RELEASE

The following is our current form of general release agreement that we may require a franchisee and/or transferor to sign as part of a transaction involving a successor franchise or an approved transfer. We may, in our sole discretion, periodically modify our form of the release agreement.

General Release

THIS GENERAL RELEASE (the “**Release**”) is made and entered into on this _____ day of _____, 20____ (the “**Effective Date**”), by and between:

- Onyva Franchising, LLC a Massachusetts limited liability company whose principal business address is 153 Andover Street, Suite 203, Danvers, MA 02116 (“**Franchisor**”); and
- _____ a [resident of]
[corporation organized in] [limited liability company organized in] _____ and _____ having
offices at _____
[(“**Franchisee**”)] [(“**Transferor**”)].

BACKGROUND:

- A. Franchisor and Franchisee are party to a [**Franchise Agreement**] dated _____ (the “**Agreement**”);
- B. Franchisor and Franchisee have agreed, under the Agreement, [to execute a successor franchise agreement or extend Franchisee’s rights under the Franchise Agreement (the “**Successor Transaction**”)] [to permit a transfer or assignment of _____ under the Agreement (the “**Transfer Transaction**”)], and, in connection with the [Successor Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Successor Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the “**Franchisor Group**”) from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership or operation of Onyva Spa Business. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’ and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Agreement or the Onyva Spa Business. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. Notwithstanding any provisions in the Agreement requiring that certain claims or actions are subject to mediation and/or arbitration, the parties agree that any action under, arising out of, or related to, this Release, brought by either party against the other shall be brought in court, and not in a mediation or arbitration proceeding, and such action in any court, whether in federal or state court, shall be brought within the judicial district in which Franchisor has its principal place of business at the time the action is initiated. This Release shall be interpreted and construed under the laws of the Commonwealth of Massachusetts. In the event of any conflict of law, the laws of the Commonwealth of Massachusetts shall prevail (without regard to, and without giving effect to, the application of Massachusetts conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

3. *[For California franchisees, add this paragraph]:* Each of the Franchisee Related Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." For the purpose of implementing a general release and discharge as described in Section 1. above, the parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Onyva Franchising, LLC
Franchisor

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT I

ONYVA FRANCHISING, LLC FRANCHISEE COMPLIANCE CERTIFICATION

[NOT FOR USE IN CALIFORNIA, MARYLAND OR WASHINGTON]

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

As you know, Onyva Franchising, LLC (the “**Franchisor**”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a “Onyva” franchised business (the “**Onyva Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Another goal in asking you these questions is to be confident that you are prepared to become a Onyva franchisee, that you understand the risks of owning your own business, and that we have complied with our obligations in providing you with the information required by law.

We may, in lieu of requesting that you review and sign this Questionnaire, review these questions with you during our pre-closing meeting, and may take notes of your verbal responses for our records.

Do not respond to and sign this Franchisee Compliance Certification if you are a resident of Maryland or the business is to be operated in Maryland. The Questionnaire does not apply to Maryland franchisees.

1. The following dates and information are true and correct:

- | | | |
|----|----------------|---|
| a. | _____,202__ | The date of my first face-to-face meeting with any person to discuss the possible purchase of a franchise for a Onyva Spa Business. |
| | Initials _____ | |
| b. | _____,202__ | The date on which I received Franchisor’s Franchise Disclosure Document (“ FDD ”). |
| | Initials _____ | |
| c. | _____,202__ | The date when I received a fully completed copy (other than signatures) of the Franchise Agreement and Addenda (if any) and all other documents I later signed. |
| | Initials _____ | |
| d. | _____,202__ | The date on which I signed the Franchise Agreement. |
| | Initials _____ | |

2. Have you received and personally reviewed the Franchise Agreement, related agreement attached to it, and (if applicable) each state addendum that we provided?

Yes _____ No _____

3. Have you received and personally reviewed our FDD?

Yes _____ No _____

4. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

5. Do you understand the information contained in the FDD, including the Franchise Agreement, each related agreement, and (if applicable) state addendum provided to you?

Yes _____ No _____

6. Have you discussed with a professional advisor (such as an attorney, accountant, or other professional) the benefits and risks of establishing and operating a Onyva Spa Business as a franchised business?

Yes _____ No _____ - You are not required to do so, but we suggest that prospective franchisees seek assistance from a professional advisor as part of their evaluation process.

7. Do you understand that the success or failure of your franchised Onyva Spa Business will depend in large part upon your skills and abilities?

Yes _____ No _____

8. Has any employee or other person speaking on our behalf made any statement or promise to you that is contrary to the information contained in the FDD? This would include statements concerning the following:

The actual or possible revenues, profits, or likelihood of success, and/or development and operations costs that a Onyva Spa Business (whether owned and operated by us, you, or someone else) may experience.

The advertising, marketing, training, support service or assistance that we will furnish to you.

Yes _____ No _____

9. Have you entered into any binding agreement with us concerning the purchase of this franchise prior to today?

Yes _____ No _____

10. Have you paid any money to us concerning the purchase of this franchise prior to today?

Yes _____ No _____

11. Do you understand the territorial rights granted to you (which are described in Item 12 of our FDD)?

Yes _____ No _____

12. If you have answered “Yes” to any of questions 9-11, please provide a full explanation of each “yes” answer for questions 9-11, in the blank lines below. Additionally, if you do not understand the information contained in the FDD, the Franchise Agreement, and/or any related agreements, please describe below the

parts that you do not understand. (Attach additional pages, as needed, and refer to them below.) Otherwise, then please leave the following lines blank.

13. Do you acknowledge and represent to us (a) that you or the entity that you form to be a franchisee will be the employer of all of your employees, and will have sole discretion and authority to hire, fire, discipline, compensate and schedule working hours for, all of your employees; and (b) that we and our affiliates will have no control, or right to control, any of the employment actions or decisions in your business? *We recommend that you retain employment law counsel to advise you with your employment issues and questions.*
14. I signed the Franchise Agreement (and state addenda, if any) on _____, 202____, and acknowledge that no Agreement (or state addenda) is effective until signed and dated by Franchisor.
15. During my discussions and evaluations leading up to my decision to buy a Onyva Spa Business, I communicated with the following individuals from Franchisor or its affiliates, or independent brokers:

Name

1. _____
2. _____
3. _____
4. _____

By signing this Questionnaire, you are representing to us that you have responded honestly, accurately, and completely to each of the above questions.

FRANCHISE APPLICANT

Signed

Printed Name

Dated: _____

STATE EFFECTIVE DATES

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

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

<u>STATE</u>	<u>EFFECTIVE DATE</u>
Illinois	Pending
Maryland	Pending
New York	Pending
Rhode Island	Pending
Virginia	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

If Onyva Franchising, 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.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Onyva Franchising, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit C.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Merritt A. Mulman 153 Andover Street Suite 203 Danvers, MA 02116 (617) 597-4959	Dr. Lisa N. Mulman 153 Andover Street Suite 203 Danvers, MA 02116 (617) 597-4959	Miles S. Mulman 153 Andover Street Suite 203 Danvers, MA 02116 (617) 597-4959	Lohith Chundi 153 Andover Street Suite 203 Danvers, MA 02116 (617) 597-4959
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Issuance Date: April 29, 2025.

I received a Disclosure Document dated Issuance Date: April 29, 2025, that included the following Exhibits:

- Exhibit A- Franchise Agreement
- Exhibit B- Multi-Unit Development Agreement
- Exhibit C- Agencies/Agents for Service of Process
- Exhibit D- Franchised Outlets
- Exhibit E- Financial Statements
- Exhibit F- Table of Contents for Operations Manual
- Exhibit G- State-Addenda
- Exhibit H- General Release
- Exhibit I- Franchisee Compliance Certification

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

- KEEP FOR YOUR RECORDS -

RECEIPT

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- Exhibit I- Franchisee Compliance Certification

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Please return signed receipt to Merritt A. Mulman, Onyva Franchising, LLC
153 Andover St., Suite 203, Danvers, MA 02116.