FRANCHISE DISCLOSURE DOCUMENT

PLANET BEACH ® FRANCHISING CORPORATION
(A Delaware Corporation)
5145 Taravella Road
Marrero, Louisiana 70072
(504) 297-1468
www.planetbeach.com
information@planetbeach.com

As a franchisee, you will operate a Planet Beach® outlet that offers automated spa services, nutrition, health products, spray tanning, ultraviolet light tanning, skin care products and other specialty items under the name and brand "Planet Beach." Additionally, your PB outlet will offer products and services under the name of our affiliate brand, HOTWORX®.

The total investment necessary to begin operation of a Planet Beach® Spa franchise is from $201,850 - $392,550. This initial investment includes $52,025 - $80,900 that must be paid to the franchisor or its affiliates.

The total investment necessary to enter into our Area Development Agreement will depend on the actual development rights we grant to you. If we grant you the right to an additional spa, then your initial investment for this one additional spa will cost between $196,900 and $387,600. This includes between $47,075 - $75,950 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact the Franchise Sales Department at 5145 Taravella Road, Marrero, Louisiana 70072, (504) 297-1468.

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

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

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

ISSUANCE DATE: August 17, 2021~~July 2, 2021~~

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about 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 C.
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 or Exhibit C summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Planet Beach 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 is it like to be a Planet Beach franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments by 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 and area development agreement require you to resolve disputes with franchisor by mediation, arbitration and/or litigation only in Louisiana. Out-of-state dispute resolution may force you to accept a less favorable settlement for disputes. It may also cost you more to sue, arbitrate or mediate with franchisor in Louisiana than in your own state.

2. **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 you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Required Consent.** The franchise agreement provides that you cannot open for operation without PBFC's prior written consent.

~~4. **Initial Investment.** The franchisee will be required to make an initial investment ranging from $201,850 — $392,550. This amount is less the franchisor's stockholder's equity which is $499,003 as of December 31, 2020.~~

~~6.~~4. **Mandatory Minimum Payments** You must make mandatory minimum royalty payments and advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

~~7.~~5. **Use of Franchise Brokers.** The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

~~8.~~6. **Exited Franchisees.** In the last year, 15 franchised outlets (or approximately 23% of the total open outlets) were terminated, reacquired by the franchisor, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

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Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Planet Beach® Franchising Corporation ("we," "us," "our" "Franchisor" or "PBFC"). "You" means the person who we grant a franchise, or the franchisee. The person granted the franchise may be a natural person, partnership, corporation, or limited liability company. If you are a partnership, corporation, limited liability company, or other entity, your owners must sign our "Guaranty Agreement and Acknowledgement by Guarantor," which means that all of our Franchise Agreement's provisions also will apply to your owners.

We incorporated in Louisiana on September 26, 1996. In March of 2008, PBFC became a Nevada Corporation, and in March of 2010, PBFC incorporated in Delaware. Our principal business address is 5145 Taravella Road, Marrero, Louisiana 70072. We operate under our corporate name and the trademarks described in Item 13 (the "Marks"). We do not do business or intend to do business under any other names. We have not conducted business in any other line of business. If we have an agent in your state for service of process, we disclose that agent in Exhibit B.

We began offering franchises for Planet Beach® Locations in September 1996. In the past, we have offered Regional Development rights since January 1997. Most Regional Developers operate at least one Spa and assist with the grant of additional Spas to others in their territories.

PBFC does not have a parent corporation or predecessors.

The Franchised Business

We grant franchises for stores operating under the Planet Beach® name and other Marks. (For reference purposes in this disclosure document, we call the stores in our system "Planet Beach® Locations;" we call the Planet Beach® location that you will operate the "Spa."). Planet Beach® Locations offer automated spa services, nutrition, health products, spray tanning, ultraviolet light tanning, other skin care products and hot exercise products and services. However, services may vary per location. This is the general market for your products and services.

You will operate the Spa from an approved location ("Approved Location" or "Location") using our proprietary business format (the "System") and the trade name Planet Beach® and HOTWORX® and such other trademarks, service marks, logos and other indicia of origin (our "Proprietary Marks") as we may designate for use in connection with the Spa. You will operate the Spa according to the Franchise Agreement and our confidential Operations Manual described in this disclosure document.

Area Development Agreement

We also offer to certain candidates the right to develop multiple spas within a specific area under the terms of the Area Development Agreement. If you sign an Area Development Agreement, you must sign a separate, then-current Franchise Agreement for each Spa you develop within the specific area stated in the Area Development Agreement. The then-current Franchise Agreement may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Market Competition

As a Planet Beach® franchisee, your Spa will offer automated spa services, tanning, skin care, nutrition and health products, and hot exercise products and services to the general public throughout the year. Your Spa will compete with other local, regional and national tanning salons, spas, department, health and fitness gyms or studios, and retail stores for which the market is well developed and highly competitive. You will compete with other outlets offering Planet Beach® services, including other Planet Beach® outlets and HOTWORX® outlets.

Industry Specific Regulations

Spas, tanning, nutrition and fitness studios are regulated in certain states and counties, and regulations are constantly being updated and revised. We recommend that you research your state and county laws regulating the tanning, spa, nutrition and fitness studio industry. You will also have to comply with state and local laws and regulations applicable to health and safety. Further, your Spa will be subject to all laws and regulations that apply to businesses generally.

Affiliates

Our affiliate HOTWORX® Franchising, LLC was organized as a limited liability company under Wyoming law on November 29, 2016. The principal business address is 5161 Taravella Road, Marrero, Louisiana 70072. We operate under our company name and the trademarks described in Item 13 (the "Marks"). We do not do business or intend to do business under any other names. We have not conducted business in any other line of business. We began offering franchises for HOTWORX® studio locations in February 2017. As of December 31, 2020, there were one hundred and fifty-six HOTWORX® locations in the United States and 2 international locations. HOTWORX® does not have any parents or predecessors. The products and services offered by HOTWORX® franchises are competitive with the products and services offered by PBFC franchises.

Our affiliate HOT Brands, LLC ("HOT Brands"), formerly known as Planet Beach Brands,

LLC ("PBB") licenses certain trademarks and intellectual property to franchisees of PBFC and franchisees of HOTWORX®. Formed on March 5, 2007, PBB licensed certain trademarks and intellectual property to franchisees of PBFC. On December 6, 2016, PBB's name was changed to HOT Brands, LLC. HOT Brands' principal business address is 5145 Taravella Road, Marrero, Louisiana 70072. HOT Brands has never offered franchises in any line of business nor has it ever operated a business of the type being offered in this disclosure document.

Our affiliate, Planet Beach International, LLC ("PBI") was formed on October 29, 2007 as a Louisiana limited liability company. Its principal place of business is located at 5145 Taravella Road, Marrero, Louisiana, 70072. PBI offers Planet Beach® master franchise opportunities internationally. PBI has never offered franchises in the same line of business nor has it ever operated a business of the type being offered in this disclosure document.

Our affiliate, HOTWORX International, L.L.C. ("HI") was formed on May 21, 2019 as a Louisiana limited liability company. Its principal place of business is located as 5145 Taravella Road, Marrero, Louisiana 70072. HI offers HOTWORX® master franchise opportunities internationally.

Our affiliate HWX, LLC ("HWX"), was formed on April 25, 2016, as a Louisiana limited liability company. HWX's principal business address is 5145 Taravella Road, Marrero, Louisiana 70072. HWX manufactures and distributes certain studio equipment that is required to be purchased by HOTWORX® franchisees. HWX also owns a minority interest in our company-owned studio in Oxford, Mississippi, Marrero, Louisiana, and Chicago, Illinois. The Oxford studio opened in January of 2017, the Marrero studio opened in January of 2018, and the Chicago studio opened in July of 2019. HWX has never offered franchises in any line of business.

Our affiliate, SpaSynergy®, previously known as Spa Intel, LLC, was formed on January 28, 2013, as a Louisiana limited liability company. SpaSynergy®'s principal business address is 5145 Taravella Road, Marrero, Louisiana 70072. SpaSynergy® licenses a proprietary point-of-sale software system to our franchisees and franchisees of HOTWORX®. SpaSynergy® has never offered franchises in this line of business nor has it ever operated a business of the type being offered in this disclosure document.

Item 2
BUSINESS EXPERIENCE

Chief Executive Officer: Stephen P. Smith, MA, CFE
Stephen Smith is a founder of Planet Beach Franchising Corporation and has served as CEO since 1996.

Senior Vice President of Franchise Recruitment: Nancy M. Price, CFE
Since April 1996, Nancy Price has served as Senior Vice President for Franchise Recruitment at Planet Beach.

Vice President for Spa Performance: Jessica Matherne

Jessica Matherne has served in various capacities for approximately 21 years. Jessica Matherne became Vice President for Spa Performance in 2014. Prior to that, she was Senior Director of Operations for GymMatrix® Franchising Systems, LLC and Planet Beach Franchising Corporation.

Vice President of Productivity and Special Events: Jodie Mateu

Jodie Mateu has served in various capacities for approximately 18 years. Jodie Mateu became our Vice President of Productivity and Special Events in April 2016. Prior to that, she was the Executive Assistant to the CEO at PBFC.

Planet Beach Brand Manager: Paige Stuart

Paige Stuart has served in various capacities with Planet Beach for approximately 15 years. In 2018, Paige became the Planet Beach Brand Manager.

Vice President of HWX, LLC: April Grandbouche

April Grandbouche has served as our Vice President of HWX, LLC from July 2020 to present at 5161 Taravella Road, Marrero, Louisiana 70072. From 2014 through 2017, Ms. Grandbouche served as the Director of eCommerce for Planet Beach. April Grandbouche served as the Director of Procurement and eCommerce for HOTWORX Franchising, L.L.C. from January 2017 until July 2020.

Item 3

LITIGATION

Pending Litigation

Estate of Elizabeth Prewitt, by and through Jennifer R. Bartlow v. Purebliss, LLC d/b/a Planet Beach Contempo Spa of Clinton and Planet Beach Franchising Corporation and John Does I-II, (No. 210,700,089, State of Utah, Second JDC, Davis County). On February 2, 2021, the estate of a spa member filed suit against a Planet Beach franchisee, PBFC and Sybaritic, Inc., the equipment manufacturer, alleging negligence and strict liability, as well as for associated damages related to personal injuries allegedly sustained using Sybaritic's Red Fusion machine.

Sarah Ornelas and Rachael Todd v. HOT Brands, L.L.C. and Planet Beach Franchising Corporation, (No. 30-2020-01121724 in Superior Court of California for Orange County). On January 2, 2020, fitness models formerly associated with PBFC, Ornelas and Todd, brought suit against PBFC alleging misuse of Plaintiffs' images, photographs, videos and/or likeness and for associated damages.

~~Planet Beach Franchising Corp. v. Lawrence and Jennifer Evans (No. 771,370 in the 24th Judicial District Court, Parish of Jefferson). On April 24, 2017, Planet Beach brought suit against the Evans for damages associated for lost royalties as well as for injunctive relief relating to the Evans' franchise location at 3668 W. Anthem Way B154, Anthem, Arizona as a result of its closure. Since the filing of the instant action, the parties have engaged in preliminary settlement negotiations.~~

Past Litigation

Alanda and Steven Viger and Contempospa, Inc. v. Planet Beach Franchising Corporation (No. 773,714 in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana). On June 23, 2017, PBFC's franchisees, Alanda and Steven Viger, filed a petition for rescission of contract and for damages arising a March 30, 2015 franchise agreement with PBFC for the operation of a spa located in Prairieville, Louisiana. The Vigers sought a declaration that the franchise agreement was void and an award of sums spent in connection with their franchise. Thereafter, the parties entered into a settlement agreement whereby in exchange for the sum of $10,000, PBFC took over the spa location and the franchise agreement was terminated. The matter was dismissed with prejudice on January 23, 2018.

Pica et al. v. Planet Beach Franchising Corp., No. 16–00099 (D. Idaho): (removal of state court action). On February 4, 2016, PBFC's franchisees, Derek and Vicki Pica, filed a Complaint for Declaratory Relief in the District Court of the State of Idaho, in and for the County of Ida (Ada County Case No. CV OC 1602519). After they closed a location in Nampa, Idaho, without PBFC's authorization, the Picas sought a declaratory judgment that the parties' franchise agreement executed in 2004 was, in fact, void, and that no damages were owed to PBFC as a result of the closure. The Picas also requested attorney's fees under Idaho Code § 12–120. On March 8, 2016, PBFC filed a Notice of Removal in the United States District Court for the District of Idaho. Following settlement negotiations, the Picas entered into a settlement agreement wherein they agreed to pay PBFC $19,000, reaffirm their contractual obligations under their single unit franchise agreement with respect to one franchise outlet, one final EFT for another location. The action was dismissed with prejudice on October 18, 2016.

~~PBFC v. Porter et al., No. 15–04023 (E.D. La.). On September 1, 2015, PBFC filed a complaint against Marie Porter and Planet Beach of Biloxi, LLC. ("PBB"). PBFC alleged in its petition that Ms. Porter and/or PBB had abandoned a Planet Beach unit in violation of their Single Unit Franchise Agreement. PBFC sought damages for lost royalties and other losses sustained as a result of the abandonment. Porter and PBB filed a motion to dismiss, arguing that PBFC failed to sufficiently establish that the $75,000 jurisdictional amount had been satisfied. The issues were fully briefed, and the Court held oral argument on November 18, 2015. At the conclusion of oral argument, the Court found that PBFC had shown that the amount in controversy likely exceeded $75,000. The Court immediately denied the motion to dismiss. Thereafter, on December 10, 2015, the parties entered into a settlement agreement that required PBB and Ms. Ebner to pay PBFC $27,000 for PBFC's losses arising out of the closure.~~

Kimberly Ebner v. Planet Beach Franchising Corporation (No. BC 593,815, in the Superior Court of California, County of Los Angeles). On September 8, 2015, Kimberly Ebner filed a "Complaint for Declaratory Relief," in which she sought to extinguish a personal guaranty that she executed in connection with a former Planet Beach location. Thereafter, the parties entered into a settlement agreement whereby Ms. Ebner agreed to pay PBFC $50,000 in exchange for a mutual release. The franchise agreement Ms. Ebner guaranteed was terminated. The action was dismissed with prejudice on September 25, 2015.

David Zaroff, Tom Hymanson and AJJN Group, LLC. v. Planet Beach Franchising Corporation (No. 15–2109, in the United States District Court for the District of Minnesota). On April 24, 2015, PBFC's former franchisees David Zaroff, Tom Hymanson and AJJN Group, LLC ("Claimants") filed a motion to vacate or modify an arbitration award (described below). PBFC filed a motion to transfer the action to the United States District Court for the Eastern District of Louisiana. PBFC argued that Claimants had improperly filed their motion to vacate in Minnesota. After the issues were briefed, Claimants agreed to withdraw their motion. By order dated August 25, 2015, the matter was dismissed.

~~Planet Beach Franchising Corporation v. David Zaroff, Tom Hymanson and AJJN Group, LLC (No. 13–438, in the United States District Court for the Eastern District of Louisiana). Following the arbitration described below, PBFC filed a motion to confirm arbitration award on June 11, 2015. Zaroff, Hymanson and AJJN ("Claimants") opposed the motion, arguing that the award should be vacated. The issues were fully briefed, and, following oral argument, the Court immediately granted PBFC's motion to confirm, thereby denying Claimants' requests for vacation of the award. In its final judgment dated July 20, 2015, the Court ordered Claimants to pay PBFC $142,000.00 in damages related to the closure of four former Planet Beach locations. The Court also ordered Claimants to pay $302,871.25 in attorney's fees and costs. Hymanson and AJJN both sought bankruptcy protection. On December 30, 2015, PBFC and Mr. Zaroff entered into a settlement agreement that required Mr. Zaroff to pay $30,000 in exchange for a satisfaction of judgment as to him only.~~

David Zaroff, Tom Hymanson and AJJN Group LLC v. Planet Beach Franchising Corporation (AAA No. 69 114 00207 12). On October 31, 2012, PBFC was served with an arbitration demand filed with the American Arbitration Association. Claimants were current franchisees with licenses to operate four separate franchise outlets in the Minnesota/St. Paul metro area. Claimants sought rescission of the four separate franchise agreements based on alleged pre-signing misrepresentations made in connection with the sale of the outlets. Alternatively, claimants sought damages for breach of contract, including lack of support and/or "de facto termination." Altogether, Claimants sought monetary damages totaling $2,746,679, including damages for rescission and/or breach of contract. PBFC filed an answering statement and counterclaims on March 25, 2014. PBFC alleged that it was defrauded by Claimants when Claimants affirmatively represented that no earnings claims had been made. PBFC also sought damages based on Claimants' abandonment of four Planet Beach locations. Finally, PBFC

sought defense and indemnity from two former area representatives, David Kutoff and Todd Schachtman. A four-day evidentiary hearing began on October 28, 2014. After the hearing, the arbitrator rejected all of Claimants' allegations. The arbitrator found in favor of PBFC and awarded PBFC $444,871.25 in damages against Claimants, including $142,000 in lost royalties and all attorney's fees and costs.

~~Planet Beach Franchising Corporation v. David and Rachel Marsh (No. 12-cv-00451 in the United States District for the Eastern District of Louisiana). On February 17, 2012, Planet Beach Franchising Corporation filed suit against David and Rachel Marsh seeking damage s arising out of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that David and Rachel Marsh breached their obligation to make monthly royalty payments. PBFC also alleged that David and Rachel Marsh abandoned their Spa and opened a new spa in the same territory, indirect violation of the covenant not to compete. Finally, PBFC alleged that the Marshes had misappropriated confidential customer data and other proprietary business information owned by PBFC. PBFC sought $221,894.31 in monetary damages, in addition to attorney's fees and costs due under the contract. PBFC also sought a preliminary and permanent injunction, barring the Marshes from operating a competing spa or misappropriating PBFC's confidential or proprietary information. On June 18, 2012, the Court entered a default judgment in favor of PBFC and against the Marshes in the amount of $238,092.41.~~

Steadman Concepts, Inc. v. Planet Beach Franchising Corporation (No. 09-cv-07008-CJB-JCW in the United States District Court for the Eastern District of Louisiana). On October 21, 2009, franchisee Steadman Concepts, Inc. filed an action alleging that Planet Beach Franchising Corporation breached the Franchise Agreement by failing to provide resources, products, and services. Plaintiff demands rescission of the contract or an unspecified amount of damages. Planet Beach Franchising Corporation filed an answer and counterclaim against Steadman Concepts and Carla Steadman seeking unpaid royalties, in addition to costs and attorney's fees. Steadman Concepts and Carla Steadman subsequently abandoned the location. On or around December 23, 2011, the parties entered into a mutual release. Both the complaint asserted by Steadman Concepts and the counter claims asserted by PBFC have been dismissed with prejudice. In lieu of bankruptcy, Steadman Concepts and Carla Steadman elected to liquidate any and all asserts associated with the former location, and further agreed to pay to PBFC 50 percent of any sales proceeds in excess of $20,000. Finally, Steadman Concepts and Carla Steadman agreed not to compete against PBFC for a period of two years.

~~Planet Beach Franchising Corporation v. Domenick and Allison Siciliano (No. 11-cv-02634 in the United States District Court for the Eastern District of Louisiana). On November 20, 2011, Planet Beach Franchising Corporation filed suit against Domenick and Allison Siciliano seeking damages for breach of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that the Sicilianos had failed to honor their obligation to make monthly royalty payments. PBFC later learned that the Sicilianos had illegally transferred their salon/spa to a third party, with the assistance of a national broker known as R.D. Cessna and Associates. PBFC sought a judgment equal to the amount of all past and future royalties due through the end of the contractual term, in addition to attorney's fees and costs. On March 3, 2012, the Sicilianos agreed to enter into a consent judgment and pay PBFC $35,000.~~

Michael and Sukie Chappuis v. Planet Beach Franchising Corporation (No. 689880-G in the 24th Judicial District Court, Parish of Jefferson, State of Louisiana). On July 13, 2010, PBFC's franchisees filed an action alleging breach of contract, breach of implied covenants, detrimental reliance, and unfair trade practices pertaining to a territory dispute. Franchisees sought a declaratory judgment, injunctive relief and an unspecified amount of damages. On or around October 20, 2011, the parties entered into a general mutual release, whereby PBFC granted the Chappuis a temporary royalty abatement in the amount of $169,932.05 and Chappuis dismissed the action with prejudice. The Chappuis also agreed to immediately resume the payment of all other contractually due fees, including monthly marketing, technology and co-op fees.

James and Lara Barnhill v. Planet Beach Franchising Corporation (AAA No. 69 114 00132 10). On March 12, 2010, franchisee filed a demand for arbitration with the American Arbitration Association, alleging various breaches of obligations by PBFC related to computer systems and fees, marketing, PBFC's evolving franchise concept, product suppliers, and bad faith. The Barnhills sought rescission of the franchise agreements, an unspecified amount of damages, attorney's fees, and a declaratory judgment. PBFC filed an answer denying all allegations and brought counter-claims against the Barnhills for enforcement of contractual post-termination obligations, breach of contract, and disparagement. On or around August 29, 2011, the parties reached an amicable resolution, whereby PBFC agreed to pay the Barnhills $365,000 in settlement of all claims.

Franchisor Initiated Litigation

Pending Litigation:

Planet Beach Franchising Corp. v. Lawrence and Jennifer Evans (No. 771,370 in the 24th Judicial District Court, Parish of Jefferson). On April 24, 2017, Planet Beach brought suit against the Evans for damages associated for lost royalties as well as for injunctive relief relating to the Evans' franchise location at 3668 W. Anthem Way B154, Anthem, Arizona as a result of its closure. Since the filing of the instant action, the parties have engaged in preliminary settlement negotiations.

Past Litigation:

PBFC v. Porter et al., No. 15–04023 (E.D. La.). On September 1, 2015, PBFC filed a complaint against Marie Porter and Planet Beach of Biloxi, LLC. ("PBB"). PBFC alleged in its petition that Ms. Porter and/or PBB had abandoned a Planet Beach unit in violation of their Single Unit Franchise Agreement. PBFC sought damages for lost royalties and other losses sustained as a result of the abandonment. Porter and PBB filed a motion to dismiss, arguing that PBFC failed to sufficiently establish that the $75,000 jurisdictional amount had been satisfied. The issues were fully briefed, and the Court held oral argument on November 18, 2015. At the conclusion of oral argument, the Court found that PBFC had shown that the amount in controversy likely exceeded $75,000. The Court immediately denied the motion to

dismiss. Thereafter, on December 10, 2015, the parties entered into a settlement agreement that required PBB and Ms. Ebner to pay PBFC $27,000 for PBFC's losses arising out of the closure.

Planet Beach Franchising Corporation v. David Zaroff, Tom Hymanson and AJJN Group, LLC (No. 13–438, in the United States District Court for the Eastern District of Louisiana). Following the arbitration described below, PBFC filed a motion to confirm arbitration award on June 11, 2015. Zaroff, Hymanson and AJJN ("Claimants") opposed the motion, arguing that the award should be vacated. The issues were fully briefed, and, following oral argument, the Court immediately granted PBFC's motion to confirm, thereby denying Claimants' requests for vacation of the award. In its final judgment dated July 20, 2015, the Court ordered Claimants to pay PBFC $142,000.00 in damages related to the closure of four former Planet Beach locations. The Court also ordered Claimants to pay $302,871.25 in attorney's fees and costs. Hymanson and AJJN both sought bankruptcy protection. On December 30, 2015, PBFC and Mr. Zaroff entered into a settlement agreement that required Mr. Zaroff to pay $30,000 in exchange for a satisfaction of judgment as to him only.

Planet Beach Franchising Corporation v. David and Rachel Marsh (No. 12-cv-00451 in the United States District for the Eastern District of Louisiana). On February 17, 2012, Planet Beach Franchising Corporation filed suit against David and Rachel Marsh seeking damage s arising out of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that David and Rachel Marsh breached their obligation to make monthly royalty payments. PBFC also alleged that David and Rachel Marsh abandoned their Spa and opened a new spa in the same territory, indirect violation of the covenant not to compete. Finally, PBFC alleged that the Marshes had misappropriated confidential customer data and other proprietary business information owned by PBFC. PBFC sought $221,894.31 in monetary damages, in addition to attorney's fees and costs due under the contract. PBFC also sought a preliminary and permanent injunction, barring the Marshes from operating a competing spa or misappropriating PBFC's confidential or proprietary information. On June 18, 2012, the Court entered a default judgment in favor of PBFC and against the Marshes in the amount of $238,092.41.

Planet Beach Franchising Corporation v. Domenick and Allison Siciliano (No. 11-cv-02634 in the United States District Court for the Eastern District of Louisiana). On November 20, 2011, Planet Beach Franchising Corporation filed suit against Domenick and Allison Siciliano seeking damages for breach of a Single Unit Franchise Agreement. PBFC alleged, *inter alia*, that the Sicilianos had failed to honor their obligation to make monthly royalty payments. PBFC later learned that the Sicilianos had illegally transferred their salon/spa to a third party, with the assistance of a national broker known as R.D. Cessna and Associates. PBFC sought a judgment equal to the amount of all past and future royalties due through the end of the contractual term, in addition to attorney's fees and costs. On March 3, 2012, the Sicilianos agreed to enter into a consent judgment and pay PBFC $35,000.

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

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Single Unit Franchise Fee

You will pay an initial franchise fee of $19,950 for a single unit license. This fee is deemed fully earned and non-refundable at the time the Franchise Agreement is executed. PBFC reserves the right to discount this fee from time to time in conjunction with various promotions. On extremely rare occasions, we may discount this fee based on market conditions and other promotions. We have not yet developed a formula for such discounts and, as of this writing, no discounted fees have been paid to us.

Some states may impose an impound requirement. The initial franchise fee of citizens of these states will be placed in an escrow account until their Planet Beach® Spa Location opens. Other states may require that we defer payment of the initial franchise fee until your Spa opens. In all other instances, payment of the initial franchise fee is due when you sign the Franchise Agreement.

Area Development Option Fee

Upon execution of a Franchise Agreement, PBFC may elect to sign an Area Development Agreement with certain candidates. Franchisees with multiple options are required to adhere to a strict development schedule. The cost for one (1) additional license, if granted, shall be for $15,000. Alternatively, the cost for any additional licenses of two (2) or more, if granted, shall be for $10,000 each. This fee is deemed fully earned when paid and is non-refundable. To be eligible for this arrangement, you must purchase the additional licenses when you execute the first Single Unit Franchise Agreement. Please note that the purchase of additional licenses is not, in itself, a franchise agreement. If you exercise your right to open additional Spas, you will be required to sign a separate, then current, Single Unit Franchise Agreement for each outlet prior to engaging a real estate broker or initiating any form of lease negotiations.

Some states may impose an impound requirement. The area development fee of citizens of these states will be placed in an escrow account until their Planet Beach® Spa Location opens. Other states may require that we defer payment of the area development fee until your Spa opens. In all other instances, payment of the area development fee is due when you sign the Franchise Agreement.

VetFran Program

PBFC participates in the VetFran Program and qualified franchisees may receive a discount of $2,500 on the initial franchise fee.

Planet Beach® Spa Equipment

Before opening your Spa, you must purchase from PBFC or an approved vendor all Planet Beach® equipment. Equipment costs are nonrefundable. The total cost of equipment will vary depending on various factors, including size of the spa, services offered, marketing conditions, population in surrounding area. The total estimated cost to buy all required equipment ranges from $93,000 - $142,000. The cost of equipment that must be purchased from Franchisor or its affiliate ranges from $24,875 to $49,750 depending on your equipment mix. Certain other equipment must be purchased from an approved vendor. These estimates do not include the cost of shipping, installation or taxes.

CAD Fee

Before opening your Spa, you must pay Franchisor a $1200 computer-aided design fee for the layout of the spa.

Wholesale Goods

Before opening the Spa, you must purchase wholesale goods from PBFC or an affiliate. The cost for these wholesale goods ranges from $6,000 to $10,000 based on the size of your Spa. These costs are nonrefundable.

Item 6
OTHER FEES

OTHER FEES

TYPE OF FEE (Notes)	AMOUNT	WHEN DUE	REMARKS
DMA or Development Area Transfer (Notes 1 and 3)	$5,000	Before you transfer the franchise or transfer from one DMA or development area to another	There is no transfer fee when an individual transfers the franchise to his/her corporation or LLC. Should franchisee elect to transfer license to another DMA or development area, then a $5,000 transfer fee will be assessed.
Resale/Transfer Fee (Notes 1 and 3)	$10,000 - $19,950	Upon sale of existing location	There is a resale fee of $10,000 when selling your location to an existing franchisee. There is a resale fee of $19,950 when selling your location to a third-party entering into the franchise system.
Monthly Royalty Fee (Note 3)	$750	5th of every month for the preceding month	Payment will be made through Auto-draft system
Annual Convention (Note 3)	$590.00 - $790.00	Fees that are unpaid 14 days prior to convention will be automatically drafted.	Fee includes registration for 2 attendees. It does not include cost of travel, lodging, food, or entertainment.
Credit Card Processing Fee (Note 3)	3% of Amount Charged	Any time you make payments to Franchisor or its Affiliates by credit card.	PBFC is charged a credit card processing fee by various credit card companies. When Franchisee uses a credit card for purchases from the Franchisor or its

			Affiliates, Franchisor or its Affiliates will charge Franchisee a credit card processing fee.
Technology Fee (Notes 3 and 7)	$0-$100 per month or $1,200 lump sum	5th of every month for the preceding month or lump sum	A fee may be imposed for additional technology upgrades but not to exceed $100 per month or $1,200 per year lump sum.
POS Software Fee (Notes 3 and 4)	$129	5th of every month for the preceding month	Payment will be made directly to designated vendor.
Virtual Instructor Software Fee (Notes 3 and 4)	$10 per sauna per month	5th of every month for the preceding month	N/A
Secret Shop Inspections (Note 3)	$100 per shop inspection	When incurred	N/A
Site Visit Fee (Note 3)	$200 per day	When incurred	This fee is applicable when Franchisee requests Franchisor provide additional on-site training. This fee does not include travel, hotel and per diem expenses for which Franchisee is also obligated.
Administrative Fee for Permitted and Properly Redeemed Use of Daily Deal Sites (Notes 2 and 3)	Varies. 6% of the return from Groupon to PBFC for the redeemed voucher/deal from your Spa.	Approximately twice a month, Groupon issues a return to PBFC based on those redeemed voucher(s)/deal(s). Subsequently, and approximately once a month, PBFC transfers this return, subject to the 6% administrative	The use of daily deal sites is permitted only if compliant with the Franchise Agreement. Non-compliant use of daily deal sites is subject to the non-compliance fee referenced in the Non-

		fee, to the Franchisee whose Spa received the redeemed voucher/deal.	Compliance Fee chart below.

NON-COMPLIANCE FEES

TYPE OF FEE	AMOUNT	WHEN DUE	REMARKS
Late Payment Fee (Notes 3 and 6)	$100 per week	Whenever any of the above fees are late	Interest is also charged on any overdue amounts at 18% per annum or the maximum rate permitted by state law, whichever is less.
NSF Fee (Note 3)	$30 per transaction	When there are insufficient funds to make payment	Payment will be made through the Auto-draft System.
Insurance Handling Fee (Note 3)	$250	Immediately after notice from us	You only pay this fee to us if you fail to obtain insurance, and we obtain insurance coverage for you. This fee does not include the insurance premiums for which you must also reimburse us.
Accounting Noncompliance Penalty Fee (Note 3)	Up to $300 per month	On the sixth day of each month	When PBFC does not receive required revenue reports by the 5th day of each month, payment of noncompliance fee will be made through the Auto-draft System.
Indemnification (Note 3)	Amount of judgment or claim	When incurred	You must defend, indemnify and hold us harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind arising in whole or in part from the operation of your Franchised Business.

Enforcement Fees (Note 3)	Varies	When incurred	If PBFC prevails in any arbitration or lawsuit in which you are a party, you will be required to pay PBFC's fees for enforcing its contract with you. This includes PBFC's attorney's fees, the costs of hiring a collection agency, court costs, costs of compiling records of your gross receipts, discovery costs, and costs of appeal, together with interest charges on all of the foregoing.
Noncompliance Real Estate Penalty Fee (Note 3)	$5,000	Immediately after notice from us	Franchisor may impose this fee when Franchisee fails to sign new, then-current franchise agreement before engaging a broker for consideration of additional PBFC® locations
Customer Service Noncompliance Fee (Note 3)	up to $1,000 per incident	Immediate after notice from us	A fee may be imposed when Franchisee fails to timely resolve customer service disputes after receiving notice of dispute such that Franchisor finds it necessary to intervene.

Improper or Unauthorized Use of Trademark (Note 3)	$1,000 per incident	Immediately after notice from us	A fee may be imposed when Franchisee improperly uses Franchisor's trademarks.
Noncompliance of prohibition of advertising on daily deal sites (Notes 2 and 3)	$500 per day	Immediately after notice from us	In addition to liability for any damages for which Franchisee is legally liable, a daily fee will be assessed by the Franchisor when Franchisee posts promotions on daily deal sites, such as Groupon, Living Social, MindBody, GymPass and/or other similar sites in violation of Franchise Agreement. This daily fee will be assessed until Franchisee demonstrates promotion is completely removed, including from any internet search engines.

Note 1: There is no transfer fee when an individual transfers the franchise to his/her corporation or LLC. If you sell your location to an existing franchisee, the resale/transfer fee will be $10,000. Otherwise, the resale/transfer franchise fee is $19,950. All fees are non-refundable. Should You elect to transfer Your license to another Designated Marketing Area (DMA) or development area, then a $5,000 transfer fee will be assessed.

Note 2: PBFC allows daily deals only through the PBFC corporate Groupon account.

Note 3: All fees are uniformly imposed by and are payable to PBFC; however, PBFC may reduce or eliminate any fee in its sole discretion for a limited time. All fees are non-refundable.

Note 4: All software fees commence upon installation of software.

Note 5: The maximum interest rate in California is 10% annually.

Note 6: Franchisees who receive a default notice for nonpayment must cure within 30 days of notice. On the 31st day, Franchisor will begin drafting $100 per week until the default is cured. Franchisor does not waive any other remedies or rights that Franchisor has against the Non-

Compliant Franchisees.

Note 7: There is a $12 access fee per month per user of G-Suite (training and communication platform). A Franchisee can expect to have, at least, three (3) G-Suite user accounts per spa.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Single Planet Beach® Spa

DESCRIPTION (notes)	ESTIMATE AMOUNT OR LOW-HIGH RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Notes 1, 2, and 15)	$19,950	Lump Sum	Upon signing of Franchise Agreement	PBFC
Spa Equipment, Sauna and Workout Equipment, Equipment Timer System, computer and software, phone and internet equipment, exterior signage, furniture and washer/dryer (Notes 3 and 15)	$93,000 to $142,000	Lump sum	As arranged	PBFC, affiliate and/or Approved Vendor
Leasehold Improvements (Notes 4 and 15)	$15,000 to $95,000	As arranged	As arranged	General Contractor
CAD Fee/Engineering Fee & Architect Fees (Notes 5 and 15)	$3,200 to $10,500	As arranged	As arranged	PBFC and Architect/Engineer
Franchisee Furnished Items/Trade Dress Items and Finish Out (Notes 6 and 15)	$35,000 to $45,000	As arranged	As arranged	Approved Vendors
Utility, phone, real estate and lease deposits (Notes 7 and 15)	$5,000 to $11,500	As arranged	As arranged	Landlord and Local Providers
Insurance initial payment (Notes 8 and 15)	$600 to $6,600	As arranged	As arranged	Insurance Provider

Printing, Marketing and Advertising (Notes 9 and 15)	$10,000	As arranged	As arranged	Various
Wholesale Goods/ Inventory to begin operating (Notes 10 and 15)	$6,000 to $10,000	Lump sum	Upon ordering	PBFC, affiliate and/or Approved Vendor
Professional Fees (Notes 11 and 15)	$1,000 to $3,000	As arranged	As arranged	Various
Additional funds during startup period and initial operations, including working capital (Notes 12 and 15)	$12,500 to $35,500	As arranged	As arranged	N/A
Out-of-Pocket initial training expenses, including travel and lodging (Notes 15 and 16)	$600 to $3,500	As arranged	As arranged	Airlines, taxis, hotels, restaurants, etc.
Totals (Notes 2, 13, 14 and 15)	$201,850 to $392,550			

Note 1: Estimates are based on a Single Unit Franchise Agreement.

Note 2: You must pay us an initial franchise fee of $19,950. These fees are non-refundable. In some states, the initial franchise fee will be placed in an escrow account (or deferred) until the Spa opens.

Note 3: All Spas are required to have the minimum required spa service equipment mix. The estimate represents the current five (5) to eight (8) estimated spa services mix. Spas are also required to have a minimum of two (2) and no more than four (4) HOTWORX saunas and associated products. The cost of equipment that must be purchased from Franchisor or an affiliate ranges from $24,875 to $49,750 depending the spa services mix. The total cost of equipment will vary depending on various factors, including size of the spa, services offered, market conditions, material price fluctuation and inflation, population in surrounding area. Our estimate for equipment assumes you buy all the equipment. This amount does not include the cost for shipping, installation or taxes. You must check with your state to determine what taxes are due. If you choose not to buy your equipment, you

may choose to lease the equipment through a third-party lender, if leasing is available to you. Item 7 figures do not include any expenses related to your leasing arrangements with third parties.

Additional disclosures for Item 7 are required by some states and are noted in Exhibit K attached hereto.

DESCRIPTION (notes)	ESTIMATE AMOUNT OR LOW-HIGH RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
SBA Financing & Loan Packaging Fees	$2,500 - $12,250	As arranged	As arranged	Third party lender

Note 4: The high estimate is based on a Spa with an estimated 1,200 square foot space including landlord participation (in the form of actual landlord improvements performed or tenant improvement allowance) from a standard retail "vanilla shell." This estimated range assumes actual landlord improvements or a tenant improvement allowance of a range of $65,000 - $160,000. This estimated range will vary depending on the location, necessary leasehold improvements, landlord participation and condition of location space, including whether electrical and HVAC component upgrades are necessary. Franchisor reserves the right to reject proposed lease sites if the estimated build out exceeds the stated estimate.

Note 5: Some states may require review of Spa plans by an architect or engineer. In this event, in addition to the $1200 CAD fee that shall be paid to the Franchisor, the Franchisee will incur additional architectural and/or engineering fees to be paid by its selected architectural/engineering professional. This estimated range will vary depending on the geographic location and condition of location space.

Note 6: Franchisee Furnished Items/Trade Dress Items and Finish Out consist of millwork (including service stand and retail display), lighting, flooring, life style images and interior branding components/signage.

Note 7: Some landlords may require a deposit of first and last month's rent and/or a

percentage of additional monthly charges. Deposits on utilities will also vary. Deposits will vary based on the market rental rates for your market and what you are able to negotiate with your landlord. This rent estimate is based on your negotiating for free rent for the approximately five (5) months between signing a lease and opening. If you are unable to negotiate for said free rent, then your real estate cost will be higher.

Note 8: At a minimum, you will need to obtain Commercial General Liability, broad form contractual, property and professional liability with annual limits of $1 million per occurrence and $3 million annual aggregate. You will also need business interruption coverage with annual limits of at least $300,000. You will also need both builder's risk coverage and tenant improvement and betterment coverage each sufficient to cover the cost of build-out and any landlord participation. You will also need to obtain contents coverage with annual limits of $200,000 depending on the size of your Spa and the equipment mix purchased. Flood contents coverage is highly recommended but not required by Franchisor. This is an annual estimate, though whether premiums are paid annually or in installments will depend on the insurance provider. The low-end estimate assumes you are paying only the deposit before opening. This estimate does not include insurance premiums or limits for worker's compensation and/or automobile liability insurance. This range is an estimate only and may vary depending on your location and other rating factors considered by the insurance provider. Your premium may be higher if you obtain the required coverage through an endorsement or separate policy. You must add us and our officers, directors, agents, attorneys, employees and our affiliates to all insurance contracts as additional insured(s) under that respective insurance policies, the cost of which will be paid by you.

Note 9: You are required to invest this amount in marketing during your pre-sale and through the initial opening of your Spa. You may spend additional amounts with PBFC approval. This estimate also includes an allocation for initial printed supplies. Should the duration of your pre-sale exceed our standard pre-sale timeline, you may spend more than this estimated amount due to monthly local advertising budget requirements.

Note 10: You will be required to purchase a specified amount of wholesale goods for the initial inventory of products to be offered for sale based on the size of your Spa. A selection of PBFC's proprietary products and national brand products must be stocked.

Note 11: These fees may include inspection fees, occupational licenses, financing administrative and/or application fees, and legal fees associated with business entity set-up and lease review.

Note 12: You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses, such as monthly rent and POS fees. We estimate the start-up phase to be three (3) months from the date you open for business. These amounts do not include any estimates for any debt service or the owner(s) salary or draw or the fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors

like your management skills, experience, and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We recommend that you have additional funds available to fund your Spa.

Note 13: PBFC relied on its experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Note 14: If you sign a Single Unit Franchise Agreement, your initial investment for your first Spa should be within the range disclosed in this Item 7 chart. The Initial Franchise Fee for each subsequent Spa is set forth in Item 5. You also should be aware that your initial investment for your second and subsequent Spas likely will be higher than the above estimates for your first Spa due to inflation and other economic factors that may vary over time.

Note 15: All payments and fees are non-refundable. Neither PBFC nor its affiliates provide financing for any part of these investments.

Note 16: This includes expenses associated with attending training as well as travel and accommodations for the required on-site training. Additionally, these include expenses associated with accessing and using G-Suite (training and communication platform).

Additional disclosures for Item 7 are required by some states and are noted in Exhibit K attached hereto.

DESCRIPTION	ESTIMATE AMOUNT OR LOW-HIGH RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Area Development Fee for One Additional PLANT BEACH® Spa	$15,000	Lump sum	Upon execution of Area Development Agreement	Franchisor
Investment for One PLANET BEACH® Spa	$181,900 - $372,600	See previous table describing costs for single PLANET BEACH® Spa, excluding initial franchise fee		

DESCRIPTION	ESTIMATE AMOUNT OR LOW-HIGH RANGE	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
TOTAL ESTIMATED INVESTMENT for One Additional PLANET BEACH® Spa	$196,900 - $387,000	This estimate includes the cost of starting and operating your one additional PLANET BEACH® Spa, as disclosed in the prior table. This figure does not include the costs you will incur when and if you exercise your right to develop and operate additional spas. All payments are non-refundable. Neither Franchisor nor its affiliates provide financing for any part of these investments.		

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase goods and materials, which adhere to our minimum standards and requirements. These items include start-up equipment (including computer hardware and software), inventory, interior and exterior signs, insurance, grand opening marketing, on-going marketing, printing and supplies.

We formulate and modify our standards and specifications based upon our experience of operating businesses of the nature we are franchising. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents.

We issue our specifications only to our franchisees, and to certain approved and designated suppliers. We do not issue our standards and specifications to anyone else. We may change the standards and specifications which apply to the development and/or operation of the Spa, including standards and specifications for signs, furnishings, supplies, inventory and equipment, by providing you written notice of the change or by publishing amendments to the Operations Manual and/or applicable policy. You may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

You must purchase equipment and supplies from designated and approved suppliers. Approved and designated suppliers are identified in the Operations Manual or in a separate Approved Vendor List. They may include us, our affiliates, or unaffiliated third-party suppliers. We, and our designated and approved suppliers, are currently the only approved suppliers for Planet Beach® lotions, moisturizers, skincare products, nutritional supplements and other Planet Beach® branded materials. Our affiliates and their designated and approved suppliers are currently the only approved suppliers for HOTWORX® products. YOU MAY NOT INSTALL ANY UNAUTHORIZED EQUIPMENT AT ANY TIME. YOU MAY NOT USE UNAUTHORIZED VIDEOS FOR ANY OTHER PURPOSE INSIDE HOTWORX® SAUNAS AT ANY TIME.

For other items, we may approve a previously unapproved supplier if we are satisfied that the proposed supplier meets our then-current standards and specifications. Our criteria for supplier approval are not available to franchisees. If you wish to purchase any item from a supplier whom we have not yet approved, you must provide us the name, address, email address and telephone number of the proposed supplier, a description of the item you wish to purchase, and purchase price of the item, if known. At our request, you must provide us a sample of the item you wish to purchase for testing purposes. Although not obligated under the Franchise Agreement, we will make a good faith effort to notify you of supplier approval or disapproval within thirty (30) days after we have received all materials required to be provided to us. If we fail to respond to your request, it means we have not approved the supplier. If we incur any costs in connection with testing a particular product or evaluating a supplier at your request, you must reimburse us our reasonable testing costs, regardless of whether the supplier

or item is subsequently approved. We may revoke our approval of particular suppliers when we determine, that such suppliers no longer meet our System standards. Upon receipt of written notice of such revocation, you may no longer purchase from such supplier.

Despite the existence of the approval process, Franchisor reserves the right to be the only approved supplier of a product or service. In this situation, you will be required to purchase the product or service from Franchisor and no one else. Franchisor will make best efforts to provide quality products at fair market price(s). We may, but are not required, to negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. The price you will pay for the product or service will be the price then in effect, and PBFC will make a profit on the sale of the product. Our officers Stephen Smith and Nancy Price have an ownership interest in HWX, LLC.

We reserve the right to derive revenue from your purchases from us. We may also derive revenue when you purchase items from our approved vendors. In the latter instance, the amount of our revenue is determined on a percentage basis. In the year ending December 31, 2020, our revenues from franchisee purchases, including vendor incentives and royalties and referral payments was $1,334,185 or 12% of our total revenues of $11,510,735. You will not receive any material benefit from purchasing from or use of approved or designated suppliers. HWX, LLC is the manufacturer/distributor of HOTWORX® infrared saunas and is the supplier for various HOTWORX® products. In fiscal year 2020, HWX, LLC had $10,432,292 in total revenues, of which 4% was derived from sales or leases to PBFC franchisees. HWX, LLC's total revenue figure is based on unaudited financials. SpaSynergy® is the vendor for the required licensed software for the POS system. In fiscal year 2020, SpaSynergy® had $427,003 in total revenues, of which 20% was derived from sales or leases to PBFC franchisees.

We must approve the location of the Spa. Our approval of a location or lease does not constitute our representation that the location will be successful.

We anticipate that your required purchases from approved suppliers will constitute the substantial majority of all purchases by you for the development and operation of the Spa. We estimate approximately 82% to 90% of your initial investment to establish and open the Spa will be applied to required purchases, and that approximately seven percent (7%) of all costs necessary to operate the Spa after opening will be applied to required purchases and leases. You will not receive any material benefit from purchasing from approved or designated suppliers.

The Spa must be equipped, decorated and supplied in compliance with our specifications, which will be made available to you. If you acquire or lease a site for the Spa (either by signing a lease or purchasing real estate), you must employ a contractor to construct the Spa and to complete all improvements in accordance with approved plans. You must also employ licensed and professionally qualified individuals to modify such plans to conform to local legal requirements and specifications. You will be responsible for all costs connected with construction, including architectural plans and seals, leasehold improvements, fixtures and

signs, and for all costs related to compliance with state or local ordinances, rules and regulations. You must schedule a live video walk-through and provide digital camera photographs via e-mail of the finished build-out of the inside and outside of the Spa prior to opening.

Insurance

You must obtain and maintain at your sole expense at all times during the term of your Franchise Agreement all such insurance coverage as Planet Beach® from time to time shall specify, and/or any other insurance coverage required by law. The insurance you are required to obtain and maintain includes but is not limited to Comprehensive General Liability insurance with complete operations coverage, broad form contractual liability coverage, property damage coverage and professional liability coverage all with current annual limits of $1,000,000 per occurrence and annual aggregate limits of $3,000,000. You will also need business interruption coverage with annual limits of at least $300,000. You will also need both builder's risk coverage and tenant improvement and betterment coverage each sufficient to cover the cost of build-out and any landlord participation. You must also obtain and maintain contents damage coverage with a minimum limit of $200,000. Flood contents coverage is highly recommended but not required by Franchisor. You will also be required to purchase worker's compensation coverage and any other insurance required by law. Insurance must be written through an approved vendor. Before you make a decision to purchase the franchise, you should confirm that insurance is available for a spa of the type you intend to operate. You must add Planet Beach® Franchising Corporation and our officers, directors, agents, attorneys, employees and our Affiliates to all insurance contracts as an additional insured under the insurance policies, the cost of which is to be paid by you.

Item 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.) Site selection and acquisition/lease	Section 2 of Franchise Agreement	Items 5, 6, 7, and 11, 12
b.) Pre-opening purchases/leases	Sections 2, 6, 7, 8, and 9 of Franchise Agreement	Items 5, 6, 7 and 8
c.) Site development and other pre-opening requirements	Sections 2, 6, 7, 8, 9 and 10 of Franchise Agreement	Items 5, 6, 7, 8 and 11
d.) Initial and ongoing training	Section 7 of Franchise Agreement	Items 6, 7 and 11
e.) Opening	Section 8 of Franchise Agreement	Items 7, 8 and 11
f.) Fees	Sections 10 and 16 of Franchise Agreement; Section 1 of the Area Development Agreement	Items 5,6 and 7
g.) Compliance with standards and policies/Operations Manual	Sections 4, 5, 9, 12 and 13 of Franchise Agreement; Section 8 of the Area Development Agreement	Items 8, 9, 11, 16, and 17
h.) Trademarks and proprietary information	Sections 11 and 12 of Franchise Agreement	Items 13 and 14
i.) Restrictions on products/services offered	Section 9 of the Franchise Agreement	Items 8 and 16
j.) Warranty and customer service requirements	Section 9.1.1 of the Franchise Agreement	Item 6
k.) Territorial development and sales quotas	Sections 3 and 8 of the Franchise Agreement	Item 12
l.) Ongoing product/service purchases	Section 9 of Franchise Agreement	Item 7, 8 and 16

m.) Maintenance, appearance and remodeling requirements	Sections 4, 6, and 22 of Franchise Agreement	Items 7, 8 and 11
n.) Insurance	Section 14 of Franchise Agreement	Items 6, 7 and 8
o.) Advertising/Marketing	Sections 8, 10 and 13 of Franchise Agreement	Items 6, 7 and 11
p.) Indemnification	Section 19 of Franchise Agreement and Exhibits 5 and 7 to the Franchise Agreement	Item 6
q.) Owner's participation/ management/staffing	Section 9 of Franchise Agreement	Item 15
r.) Records/reports	Section 15 of Franchise Agreement	Items 6 and 11
s.) Inspections/audits	Sections 7 and 17 of Franchise Agreement	Items 6 and 11
t.) Transfer	Section 21 of Franchise Agreement; Section 6 of the Area Development Agreement	Items 6 and 17
u.) Renewal	Section 4 of Franchise Agreement	Item 17
v.) Post-termination obligations	Sections 19 and 24 of Franchise Agreement and Exhibits 5 and 7 to Franchise Agreement	Item 17
w.) Non-competition covenants	Section 18 of Franchise Agreement and Exhibit 6 to the Franchise Agreement	Item 17
x.) Dispute resolution	Section 25 of Franchise Agreement; Sections 12, 13 and 14 of the Area Development Agreement	Item 17
y.) Other; Personal Guaranty of	Section 27 of Franchise Agreement; Exhibit 3 to Franchise Agreement; Personal Guaranty of Area Development Agreement	Items 1 and 15
z.) Other; Compliance with applicable law	Sections 9 of Franchise Agreement	Not Applicable

Note: All partners in a limited partnership, shareholders in a corporate franchisee or members and managers in a limited liability company franchisee must sign a Confidentiality and Non-Competition Agreement (Exhibit 6 of the Franchise Agreement) and Guaranty Agreement

(Exhibit 3 of the Franchise Agreement). In addition to franchisees, all domestic partners and spouses who do not sign the Franchise Agreement must sign a Confidentiality and Non-Competition Agreement (Exhibit 6 of the Franchise Agreement) and a Guaranty Agreement (Exhibit 3 of the Franchise Agreement). You recognize that Exhibit 6 grants the Franchisor the right to "in its sole discretion to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified." (Exhibit 6 to Franchise Agreement).

Additional disclosures for Item 9 are required by some states and are noted in Exhibit K.

Item 10

FINANCING

We do not offer direct or indirect financing. On rare occasion in the past, PBFC did offer franchisees the ability to purchase certain equipment on an installment basis but no longer offers such payment plans. We do not guarantee your note, lease or obligations.

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

Except as listed below, PBFC is not required to provide you with any assistance.

A. The obligations that we will perform before the Franchised Business opens:

Before the opening of your Planet Beach® Spa, we (or our designees) will:

- Approve your site. Generally, PBFC will not own the premises that you ultimately lease or purchase to operate your site. We must approve the site that you select to operate your Spa. Factors that PBFC considers in approving site selections include: population density and demographics of submarkets, retail composition, co-tenancy and viability, location, price per square foot, visibility, signage, ingress, egress and competition. Upon submission of a site proposal, PBFC will accept or reject the site within a reasonable time. You will have 120 days to locate a suitable site and execute a lease from the time you sign the Franchise Agreement. If you and PBFC cannot agree on a site, then PBFC will consider extending this period for good cause. (Section 2 of the Franchise Agreement). Should Franchisor reject Your proposed site, You may continue to pursue and propose other sites provided You are in compliance with all other terms and conditions of the Franchise Agreement and Your development schedule. However, if you are not in compliance with both or either the Franchise Agreement or Your development schedule, Franchisor reserves the right to terminate the Franchise Agreement and Your initial fee will be forfeited.

- Designate your territory. Once a site for your Spa is selected and approved by PBFC, PBFC will provide you with a map of your territory. The map will become an exhibit of your Franchise Agreement. (Section 3 of the Franchise Agreement). If you exercise your option to develop a Planet Beach® spa under an Area Development Agreement, the terms of the then-current Franchise Agreement and Franchisor policies and standards will govern the designation of your territory and location of such a subsequent spa. Franchisor's approval for the location and territory of each subsequent spa is required.

- Provide a Performance Consultant. PBFC or your respective Regional Developer

will provide you with a Performance Consultant who will conduct virtual training for your first Spa (Section 7 of the Franchise Agreement). Additionally, prior to opening, Franchisor will provide You with three (3) days of on-site training at Franchisee's expense at either Your location or a corporate location per Franchisor's discretion. You may request an additional onsite visit to your location which you will then be responsible for all expenses including $200 per day for consultant plus travel and lodging. (Section 7 of the Franchise Agreement). In the event that you acquire an existing location pursuant to a sale or transfer, you will be required to undergo, at a minimum, three days of training with a Performance Consultant at your spa. In this event, you will be responsible for all expenses, including $200 per day for consultant plus travel and lodging. (Section 7 of the Franchise Agreement). Each year on the anniversary of your Spa's soft opening, your Performance Consultant will perform a mandatory video inspection to ensure your on-going compliance with Franchisor's policies. Should the Performance Consultant determine that your Spa is non-compliant, you will have thirty (30) days to cure. (Sections 17.2 and 23.3 of the Franchise Agreement).

- Provide access to Operations Manual. We will allow you to view our Operations Manual online, which we may amend from time to time. This Operations Manual is confidential and the property of PBFC. The Table of Contents of the Operation Manual is reproduced at the end of this Item 11. (Section 5 of the Franchise Agreement).

- Provide Training. Provide You and your Spa Director with virtual training and Planet Beach University Online curriculum for each location that you open. (Section 7 of the Franchise Agreement). Additionally, prior to opening, Franchisor will provide You with three (3) days of on-site training at Franchisee's expense at either Your location or a corporate location per Franchisor's discretion.

B. Our obligations during the operation of the Franchised Business:

During the ongoing operation of your Planet Beach® Spa, we will:

- Allow you to operate under our Proprietary Marks and proprietary System (Section 11 of Franchise Agreement).

- Provide such general advisory assistance and field support deemed helpful by PBFC in the areas of marketing, operations and promotion of the Spa. (Section 13 of Franchise Agreement)

- Continue our efforts to establish and maintain high standards of quality, professionalism, cleanliness, safety, customer satisfaction and service. A PBFC

employee or Performance Consultant or designee Regional Developer will consult with you on the standards of your Spa on a periodic basis. (Section 17 of Franchise Agreement)

- Provide you with access to view updates, revisions and amendments to the Operations Manual. (Section 5 of Franchise Agreement)

- Provide you with access to additional training programs and seminars at our discretion. Almost all of which will be provided through online and/or video technology. (Section 7 of Franchise Agreement)

- Hold annual conferences/convention for your benefit. There is an annual conference/convention fee per person and you must pay all your travel and lodging expenses. Fees range from $590 - $790 and include registration for 2 attendees but do not include the cost of travel, lodging, food or entertainment. These conferences are mandatory and they are held in New Orleans, Louisiana or at a location designated by PBFC. Fees that are unpaid fourteen (14) days prior to convention will be automatically drafted. (Section 7 of Franchise Agreement)

- Periodically, we may provide you with a secret shop/inspection analysis. (Section 7 of Franchise Agreement)

C. Time for Opening

You are required to open your Spa within 275 days from your franchise agreement's effective date unless we agree in writing to extend the period. If you cannot open within 275 days due to vandalism, fire, act of God or other circumstances beyond your control, you must request an extension from PBFC immediately, which extension is within PBFC's sole discretion and will not be unreasonably withheld. It is your sole responsibility to ensure that you Spa opens within 275 days of the effective date of the Franchise Agreement. Factors that may affect your development schedule include availability of suitable leases, financing, and issues related to permits and zoning. (Section 8 of Franchise Agreement)

It is your sole responsibility to ensure your Spa complies with local ordinances, building codes and obtains any necessary permits.

National Advertising Fund

You will not be required to participate in any national advertising fund.

Advertising program

Franchisor is not required to conduct advertising in any market, including your defined territory. You are required to spend at a minimum $2,000 monthly on local advertising through social media

and, upon approval by and at the sole discretion of PBFC, other marketing mediums. (Section 13 of Franchise Agreement).

Marketing Guidelines Policy

As a franchisee, you must follow certain branding policies and procedures when you are printing or producing marketing materials. To get approval for advertising you prepare, you must submit drafts of any proposed materials to us prior to distribution. A strong and consistent visual identity is required. Brand guidelines provide a reference to establish the details for creating and maintaining an effective brand presence. All marketing or marketing concepts, which you develop and are approved by us become our sole and exclusive property. as a franchisee, you are prohibited from advertising any aspect of Planet Beach® or offer Planet Beach® promotions through daily deal programs such as Groupon, Living Social, Mindbody, Gympass or other similar means via online or other media outlets (Section 13 of Franchise Agreement). As the only PBFC exception, PBFC allows daily deals only through the PBFC corporate Groupon account as disclosed in Item 6 above. you are prohibited from promoting any HOTWORX® services through "daily deal" sites, i.e., Groupon, Living Social and/or similar sites or other media that offer redeemable vouchers for goods and services. In addition to liability for any damages for which Franchisee is legally liable under the law, Franchisee will be assessed a daily fee of $500.00 per day when Franchisee, in violation of these prohibitions, posts any HOTWORX® and Planet Beach® promotions on daily deal sites, such as Groupon, Living Social and/or other similar sites or other media that offer redeemable vouchers. This daily fee will be assessed until Franchisee demonstrates that the promotion is completely removed, including from any internet search engines.

Promoting Corporate Marketing Campaigns and Promotions

All franchisees must promote corporate-initiated campaigns and promotions to ensure a consistent marketing effort throughout the entire system. This includes posting marketing materials relevant to a specific period of time in the Spa, promoting the same campaigns throughout your social media efforts, etc. (Section 13 of Franchise Agreement). Franchisee must also refrain from engaging in any marketing, conduct, or communications that, if publicized, may adversely affect the Franchise system, its intellectual property, brand, goodwill and/or Franchisor's interest therein as determined by Franchisor in its sole discretion. (Section 9.1.3 of Franchise Agreement).

Marketing Tools and Materials Guideline

Planet Beach® develops a variety of tools in an effort to provide all franchisees successful and consistent materials, including social media advertising, to use in their marketing efforts. Franchisees must purchase these tools through Approved Marketing Vendors per the Franchise Agreement. The marketing mediums that are required at all times include but are

not limited to the social media platforms of Facebook and Instagram, as well as Business Cards, Guest Passes, Brochures, Posters, In-Spa marketing posters, lead boxes, and other marketing collateral. (Section 13 of Franchise Agreement)

Advertising Council

There is currently no advertising council composed of franchisees.

Marketing Cooperative

There are no marketing cooperatives. Franchisee must focus on local marketing for their individual location(s). (Section 10 of Franchise Agreement)

Computer System and Point-of-Sale (POS) System

Your computer/hardware and software must meet our specifications. We estimate the cost of purchasing the required computer system at $1,200 to $1,900. (Section 9 of Franchise Agreement)

The computer must be capable of running the most-current Windows Operating systems. In addition, you must also purchase a credit card processing terminal and all equipment necessary to accept designated credit or debit cards. You are required to utilize the PBFC approved credit/debit card processor. Other required hardware includes a receipt printer, desktop printer, and a cash drawer. A tablet can be purchased as an optional hardware item.

The one required computer must be able to run the following software: a web browser, software capable of creating and editing Microsoft Word and Excel documents, a PDF reader, anti-virus, and Java. You are responsible for obtaining and maintaining onsite cabling systems and switches, routers, uninterrupted power supplies, and wireless access points. (Section 9 of Franchise Agreement).

You will be required to install and run our proprietary point-of-sale software developed specifically for our franchisees, called SpaSynergy®. You will be charged $129.00 per month for the use of this software. You will be provided with specifications and initial training for use of the software system. (Section 10 of Franchise Agreement)

Franchisor has unlimited independent access to any data stored in the SpaSynergy® software system. This includes information about revenue you generate, customer data, and other information related to your ongoing operation of the franchised business. There are no contractual provisions that limit our access to the data. (Section 15 of Franchise Agreement)

You will be required to use QuickBooks Online pursuant to Franchisor's instruction, including but not limited to instructions regarding syncing your QuickBooks Online account or entities, as is required in the Franchise Agreement. (Section 15 of Franchise Agreement).

We have the right to require you to update or upgrade your computer software program and

computer hardware components, as we deem necessary, but not more than three (3) times per calendar year (Section 9.4 of Franchise Agreement). At our option, Franchisor or its designee(s) will provide ongoing maintenance, repairs, upgrades or updates. A fee may be imposed for these additional costs. The fee will not exceed $100 per month, or $1,200 per year. (Section 10 of Franchise Agreement).

As a method of remote support, Franchisor will use TeamViewer, or any other software deemed necessary to provide remote support to the computer. TeamViewer must be online and running at all times so that Franchisor can support and update the software system as needed. (Exhibit 5 to the Franchise Agreement).

Equipment, Signage, Fixtures, Opening Inventory and Supplies

You must purchase equipment and supplies from designated and approved suppliers. You must purchase goods and materials, which adhere to our minimum standards and requirements. These items include but are not limited to start-up equipment (including all spa equipment and HOTWORX® units and computer hardware and software), inventory, interior and exterior signs, insurance, grand opening marketing, on-going marketing, printing and supplies. Approved, designated or recommended suppliers are identified in the Operations Manual or in a separate Approved Vendor List. They may include us, our affiliates, or unaffiliated third-party suppliers. We, and our designated and approved suppliers, are currently the only approved suppliers for HOTWORX® products and other branded materials. (Sections 6 and 9 of the Franchise Agreement and Exhibit 1 to Franchise Agreement).

- Equipment: Certain equipment is purchased through Franchisor's Affiliate(s) and/or an Approved Vendor. On occasion, Franchisor disburses funds to respective vendors for third-party equipment is then shipped to Franchisee from vendor directly.

- Opening Inventory: Franchisor provides an opening order guideline/outline to the franchisees. The opening order includes items provided by both Franchisor or its Affiliate and third-party vendors. With regard to the wholesale items ordered through Franchisor or its Affiliate, the order is placed directly with Franchisor and distributed to the Franchisor's office. Franchise facilities the shipment of these items to the Franchisee. With regard to wholesale items ordered through third-party vendors, Franchisor provides Franchisees with a list of hyperlinks to the respective vendors, and Franchisees place orders directly through the vendor, who manages the inventory at their own facilities and distributes the items directly to Franchisee.

- Trade Dress and Fixtures: Franchisor provides trade dress and fixtures through a third-party approved vendor. The vendor is provided the written specifications from Franchisor and delivers and/or installs as needed the trade dress and fixtures.

Build-Out and Compliance of Your Spa.

You are responsible for all costs of and connected with design and construction, including, but not limited to construction drawings, architectural and/or engineering drawings, including stamps and seals, fees associated with obtaining building permits, leasehold improvements, equipment, furniture fixtures and signs, and you must bear the cost and responsibility for compliance with state or local ordinances, rules and regulations, including those related to zoning. You must obtain and maintain all permits, licenses, and registrations required for the premises and the lawful operation of Your spa and comply with all health and safety codes. (Sections 6 and 9 of the Franchise Agreement).

Staff Recruiting, Hiring and Training.

You are responsible for the recruiting, hiring and training of your employees. The Operations Manual provides reference material to aid You in this process.

Training Program

You and any Spa Director must attend and complete, at least, three (3) days of initial training, either on-site at Your Spa or at a corporate location per Franchisor's discretion, which may be conducted virtually if necessary and approved by Franchisor, prior to 120 days of opening Your Spa in order to allow for properly timed pre-sale. You and your employees must complete all courses and certifications of Planet Beach® University. Additional training may be required or requested on an as-needed basis. (Sections 7 and 9 of Franchise Agreement).

You are responsible for training all other employees both on an initial and on-going basis.

Subject	Hours of Virtual/Online Course Work	Hours of on-the-job training	Location
Introduction, the Planet Beach® Brand, and Getting Started	35 minutes	N/A	Online Course ("Planet Beach University")
Understanding Planet Beach® Services and Products	5 hours	N/A	Online Course ("Planet Beach University")
Reds and Member Retention	1.5 hours	N/A	Online Course ("Planet Beach University")
Consulting & Sales	1 hour	N/A	Online Course ("Planet Beach University")
Management & Leadership	45 minutes	N/A	Online Course ("Planet Beach University")

Subject	Hours of Virtual/Online Course Work	Hours of on-the-job training	Location
Spa Synergy Training	3 hours	N/A	Online Course ("Planet Beach University")
Strategy for Staffing	1 hour	N/A	Online Course ("Planet Beach University")
Service and Product Pairing	6 hours and 25 minutes	N/A	Online Course ("Planet Beach University")
Customer Service	25 minutes	N/A	Online Course ("Planet Beach University")
Sales Process	1 hour and 5 minutes	N/A	Online Course ("Planet Beach University")
Marketing	4 hours and 45 minutes	N/A	Online Course ("Planet Beach University")
Initial On-Site Training	N/A	3 days of observation and implementation	Planet Beach Corporate Spa or Your Spa

~~**Virtual Franchisee School Agenda 2020**~~

~~**DAY 1 - INTRO, THE BRAND & GETTING STARTED**~~

~~**The PB Brand**~~

~~Training overview, goals & expectations, review of PBFC terms & definitions~~

Franchise 101: Why Franchise?

Learn more about our core values & brand statements, franchisee life cycle.

7 Components of a Successful Planet Beach

Understanding the seven main components that will make or break your business.

Using PBFC Tools and Resources

Get set up and connected with your Spa Central account, explore ORION, subscribe to the newsletter, Franchisee/Spa Director communications, join our Facebook community page, test out Google tools & more!

Who is Eileen? Branding, Marketing & Support 101

See the evolution of our brand, get to know our target consumer, learn more about our branding and imagery as well as tools and resources to help you be successful.

Virtual Franchisee School Agenda 2020

DAY 2 – UNDERSTANDING OUR SERVICES & PRODUCTS

Skincare 101

Learn the basics of skin care to help better consult with members regarding their skin care needs and increase your retail sales

Product Features & Benefits

~~Get information about our amazing products to help seal the deal when suggesting products to clients.~~

~~**Services & Product Pairing**~~

~~Learn more about the unique services and exciting benefits they will provide to your members and how to pair them with our premium products for optimal results and for maximizing sales!~~

~~**Skin Care Consultation**~~

~~Using the information we learned about skincare and our products, learn the consultations from beginning to end.~~

~~**Member Retention using Products**~~

~~Use the regime builder and other tools to get members the best results that will keep them coming back again and again!~~

~~Virtual Franchisee School Agenda 2020~~

~~DAY 3 – REDS & RETENTION~~

~~The Customer Service & Experience~~

~~Customer experience standards defined as well as customer service protocol and techniques.~~

~~Lead Generation~~

~~Learn about both internal and external marketing tools and tactics, which will help you and your team generate leads that can be converted to REDS!~~

~~Phone Power & Training~~

~~Use SpaSynergy as well as other reports and tools to monitor and track prospecting efforts and your REDS! Also learn about other tools to set goals and monitor progress for REDS & prospecting!~~

~~Ratio Metrics~~

~~What and where to look to track the performance of your spa by monitoring closing percentage, average membership dues, membership lifetime and how to coach to improve sales~~

~~**Virtual Franchisee School Agenda 2020**~~

~~**DAY 4 - CONSULTING & SALES**~~

~~**Fundamentals & Psychology of Sales**~~

~~Consulting vs. selling, control with questions, and other sales tactics, common objections also covered.~~

~~**The Sales Process & Closing the Sale**~~

~~Review of the enrollment fee, buy backs, multi-visit pass, the 2nd sale and "Sell-Them-Something" training.~~

~~Virtual Franchisee School Agenda 2020~~

~~DAY 5 — MANAGEMENT & LEADERSHIP~~

~~Staffing: Roles & Responsibilities~~

~~Understanding the spa organization chart and infrastructure, key roles and job functions.~~

~~Recruiting, Interviewing & Hiring~~

~~How and where to recruit, interviewing strategies and making the offer~~

~~Goal Management~~

~~The what, when, where and why of goal setting and management.~~

~~Accountability Tools~~

~~Review a day in the life of a Spa Director as we discuss tracking tools, binders, staff meetings, and saving cancellations.~~

~~Employee Retention, Managing and Leading your PB Team~~

~~How to keep your staff motivated. Understanding the cost of lost, training for success, rewards and recognition and creating a great place to work.~~

1. Instructors, schedule/agenda and locations are subject to substitution at any time and at franchisor's discretion.

2. You and your Spa Director (if you are not operating the Spa) are required to attend training. Upon franchisee's request, we may approve additional attendees at our sole discretion. All training including online or written exams must be completed to the satisfaction of Franchisor, in the time frame or as directed by consultant during pre-sale and soft opening in order to allow for properly timed pre-sale to begin and to prepare for soft opening. Additional courses may be added and required to be completed at Franchisor's discretion.

3. Initial on-site training at Your Spa or a corporate location per the Franchisor's discretion for three (3) days at Franchisee's expense. Franchisee and Spa Director must attend the full three (3) days of on-site training while the Performance Consultant is present. Franchisee and Spa Director must remain engaged and participate during these training days. Failure to meet requirements may result in the requirement for additional onsite days of training at Franchisee's expense. In this event, Franchisee is responsible for all related travel, lodging and other costs. Training materials are generally provided electronically. All training must be completed to the satisfaction of PBFC. PBFC may require additional training programs or refresher courses.

4. All online courses must be completed with passing exam grades by all franchisees and Spa Director(s) prior to the initial on-site training. These courses may include Planet Beach® University on-line and any other trainings, readings, and/or webinars communicated by Franchisor. Prior to the opening of your Spa, we or your Regional Developer are only obligated to provide you with the assistance or services specifically described in the Franchise Agreement.

5. Any additional onsite training that corporate provides will be provided for a $200.00 per day fee.

Training instructor experience

Stephen Smith is the founder and CEO of Franchisor and has over 38 years of experience in the membership sales business.

Kasie Banks has 9 years of marketing and advertising experience in the areas of campaign advertising, print and digital production, lead generation, website development and optimization, social media, and public relations.

Jessica Matherne has over 21 years of experience in the field of general business development, franchise operations, marketing and membership sales.

Robyn Powell has 10 years of experience in the field of information technology.

Paige Stuart has 16 years of experience in the field of business management and operations with a focus in customer experience and sales performance and 5 years of experience as a franchisee.

Laura Valenti has over 20 years experience in marketing, as well as sales, recruiting, and academia. Prior to rejoining Franchisor in 2021, Ms. Valenti served as the Franchise Marketing Manager, and later Website Director, for Franchisor from 2004-2008, responsible for introducing franchise marketing materials to the brand. More recently, Ms. Valenti was a marketing professor and Sales Program Director at Nicholls State University where she taught marketing courses at the undergraduate, graduate, and executive MBA level.

In the event we appoint a substitute trainer, such substitute will have at least one year of experience in the specific subject matter being taught.

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Item 12

TERRITORY

Franchisee will operate the Spa only from the location which we approve ("Approved Location") as defined in Section 2 of the Franchise Agreement and identified in the Approved Location and Territory Addendum, attached as Exhibit 2 to the Franchise Agreement.

You may have the opportunity to develop additional franchises licenses by signing an Area Development Agreement and purchasing franchise option(s). If you exercise your option(s), you will be required to execute a separate, then-current franchise agreement for each such location, prior to engaging a broker or entering into any form of lease negotiations for each such location.

You may relocate the Spa only with our prior written approval. PBFC will permit you to relocate your Spa to a new approved location within the Territory, at your expense, if you lose the right to possess the premises through no fault of your own, or if the Spa is destroyed by vandalism, fire, or Act of God. PBFC will approve the new site if it meets the site-selection criteria discussed in Item 11.

During the term of the Franchise Agreement, if you are in compliance with the Franchise Agreement, you will have a territory as identified in and defined by the Franchise Agreement ("Protected Territory"). The Protected Territory will generally be a circle, the center of which will be your Approved Location as identified by your signed lease. The actual size and dimensions of your Protected Territory may be less than stated below and will depend upon the specific variables of your site including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached to your Franchise Agreement.

If a radius is used to determine your Protected Territory, then the radius of the circle will be in PBFC's sole discretion and based on where the Spa site is located and will be either:

1. A radius ranging from one third of a mile (.3 miles) up to one and nine tenths of a mile (1.9 miles) if your Spa is located in a densely populated area which may include suburbs; or

2. A two-mile (2.0 miles) radius if your Spa is located in any other area.

Where applicable, the radius range referenced above shall be determined by the Franchisor in its sole discretion. Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, highway, interstate, or other natural or manmade boundary; and (ii) regional shopping malls, professional or collegiate athletic facilities, residences, resorts, hotels, train stations, bus stations and airports. Franchisor reserves the right to modify Your Territory should You breach the Franchise Agreement. Compliance includes compliance with PBFC's standards

and specifications as stated in the Operations Manual, your best efforts in exploiting your Protected Territory to increase your business, good customer service, and membership reciprocity with other Planet Beach® Spas. Your rights in the Protected Territory are not dependent on achievement of a certain sales volume or market penetration.

The protection afforded under this paragraph relates solely to the operation of a Planet Beach Spa. We retain all other rights. We reserve the right to grant HOTWORX® studio licenses within Your Protected Territory.

Your grant of a franchise also does not include (i) exclusive marketing rights; (ii) any right to offer any product or service via e-commerce; (iii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iv) any right to distribute, market, or implement Planet Beach®'s products and services in any channel of distribution not specifically identified in the FDD and Franchise Agreement.

Moreover, we, our affiliates, our franchisees, licensees or designees, may distribute products, now existing or developed in the future, in your Protected Territory, in such manner and through such channels of distribution as we, in our sole discretion, shall determine. Such channels of distribution shall include, but are not limited to, sales of any products offered by you under the Proprietary Marks at or through health or fitness clubs, beauty salons, spas, stores, boutiques, hotels, resorts, lotions and other products through fixed stores, the Internet and mail order sales or other direct marketing. We are not required to pay any compensation for soliciting or accepting orders inside of your Protected Territory.

The Protected Territory will generally be a circle, the center of which will be your Approved Location as identified by your signed lease. The actual size and dimensions of your Protected Territory may be less than stated below and will depend upon the specific variables of your site including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached to your Franchise Agreement.

If a radius is used to determine your Protected Territory, then the radius of the circle will be in PBFC's sole discretion and based on where the Spa site is located and will be either:

~~1.~~3. A radius ranging from one third of a mile (.3 miles) up to one and nine tenths of a mile (1.9 miles) if your Spa is located in a densely populated area which may include suburbs; or

~~2.~~4. A two-mile (2.0 miles) radius if your Spa is located in any other area.

Where applicable, the radius range referenced in Subsection 1 shall be determined by the

Franchisor in its sole discretion. Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, highway, interstate, or other natural or manmade boundary; and (ii) regional shopping malls, professional or collegiate athletic facilities, residences, resorts, hotels, train stations, bus stations and airports. Franchisor reserves the right to modify Your Territory should You breach the Franchise Agreement.

The continuation of your Protected Territory and the rights granted to you regarding your Protected Territory are not dependent on achieving a certain sales volume, market penetration, or other contingency. Franchisor will not unilaterally alter your contractually sanctioned Protected Territory, except that Franchisor reserves the right to modify your Protected Territory should you breach the Franchise Agreement.

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

There shall be no geographic restrictions upon where customers may come from for any Spa. We do not restrict your right to service customers from outside of the Protected Territory; however, we do not permit you to market or solicit customers outside of the Protected Territory, except through the use of indirect advertising and marketing through such channels as the internet, social media, e-mail, and other electronic communications. **AS A FRANCHISEE, YOU ARE PROHIBITED FROM ADVERTISING ANY ASPECT OF PLANET BEACH® OR OFFER PLANET BEACH® PROMOTIONS THROUGH DAILY DEAL PROGRAMS SUCH AS GROUPON, LIVING SOCIAL, MINDBODY, GYMPASS OR OTHER SIMILAR MEANS VIA ONLINE OR OTHER MEDIA OUTLETS** (Section 13 of Franchise Agreement). **As the only PBFC exception, PBFC allows daily deals only through the PBFC corporate Groupon account as disclosed in Item 6 above. YOU ARE PROHIBITED FROM PROMOTING ANY HOTWORX® SERVICES THROUGH "DAILY DEAL" SITES, i.e., Groupon, Living Social and/or similar sites or other media that offer redeemable vouchers for goods and services. In addition to liability for any damages for which Franchisee is legally liable under the law, Franchisee will be assessed a daily fee of $500.00 per day when Franchisee, in violation of these prohibitions, posts any HOTWORX® and Planet Beach® promotions on daily deal sites, such as Groupon, Living Social, MindBody, GymPass and/or other similar sites or other media that offer redeemable vouchers. This daily fee will be assessed until Franchisee demonstrates that the promotion is completely removed, including from any internet search engines.** While you are generally not permitted to solicit customers and/or market outside your Protected Territory, you may do so upon receipt of our prior written consent, which will not be unreasonably withheld. Franchisor may condition its authorization upon your agreement to offer System franchisees who are operating Spas in contiguous territories the opportunity to participate in, and share the expense of, such solicitation and/or marketing.

In addition to the exclusions described above, your Protected Territory will be subject to the

following exclusions:

a. PBFC and its affiliates may sell equipment or products within your Protected Territory, including but not limited to for residential purposes.
b. PBFC's affiliates may establish, locate, grant, or sell to any third party the right to establish or locate a HOTWORX® studio within your Protected Territory.
c. PBFC may own and operate Spas at any location(s) outside your Protected Territory under the same or different marks, and to license others the right to own and operate Spas at any location(s) outside your Protected Territory under the same or different marks.
d. PBFC may conduct any business in regional shopping malls, professional or collegiate athletic facilities, residences, resorts, hotels, train stations, bus stations and airports;
e. PBFC may use the Proprietary Marks in connection with offering ancillary or dissimilar products and services at any location inside or outside your Protected Territory;
f. PBFC may acquire other businesses within your Protected Territory that compete with the Spa;
g. PBFC may convert any existing tanning and/or spa establishment to a business which uses the Planet Beach® System whether that business be a Franchised Business or owned and/or operated by PBFC or a PBFC affiliate;
h. PBFC may conduct and transact business with customers and/or companies operating in your Protected Territory by means of the internet as well as other electronic media that are known now or developed in the future, toll-free telephone numbers, and any other manner we determine; and
i. Engage in any other activities not expressly prohibited by this Agreement.

Any conflicts regarding territory, customers, and franchise support arise between franchisees of the different systems or between You and the Franchisor, will be resolved pursuant to the Dispute Resolution procedure outlined in the Franchise Agreement.

Additional disclosures for Item 12 are required by some states and are noted in Exhibit K.

Item 13
TRADEMARKS

Our affiliate, Planet Beach® Tanning Salons, Inc. assigned all its Proprietary Marks to HOT Brands, LLC (f/k/a Planet Beach Brands, LLC) on April 10, 2007. HOT Brands registered or has applied to register the below Proprietary Marks on the Principal Register of the United States Patent and Trademark Office.

Mark	Date Registered	Registration Number
Planet Beach (standard character mark)	June 10, 1997; September 11, 2019	5,967,662
Planet Beach design mark	September 6, 2005; renewed October 15, 2015	2,991,967
Planet Beach (standard character mark)	June 25, 2002; renewed July 5, 2012	2,585,483
Contempo Spa (standard character mark)	September 25,2007; January 21, 2020	5,973,380
Planet Beach (standard character mark)	September 27, 2011; January 31, 2020	5,967,660
SpaSynergy (standard character mark)	July 17, 2012; December 22, 2020	6,226,018
Contempo Spa (standard character mark)	August 28,2012; May 5, 2020	6,046,829
Planet Beach (design mark)	April 24, 2012; February 4, 2020	5,978,333
Planet Beach (design mark)	May 5, 2020	6,046,852
National Sunless Day (standard character mark)	August 13, 2013	4,385,698
HOTWORX (standard character mark)	May 30, 2017	5,215,243
HOTWORX (design mark)	June 6, 2017	5,217,901
HOTWORX (design mark - stylized letter "O")	October 2, 2018	5,575,714
HOTWORX (design mark)	July 16, 2019	5,972,714
BARRE NONE (standard character mark)	May 26, 2020	6,065,628
Earn the Burn (standard character mark)	September 30, 2019	5,966,969

HOT Brands has filed all required affidavits, and the registrations are not yet due for renewal, and/or were renewed as indicated in the chart above. We do not own any state trademark registrations.

HOT Brands licenses to us, by a Trademark and System License Agreement ("License Agreement"), the right to use the Proprietary Marks and to sub-license them to System franchisees. The term of the License Agreement is 10 years and automatically renewable but is terminable by either party upon sixty (60) days' notice. If terminated, HOT Brands is then required to assume all of our rights and obligations regarding the Proprietary Marks under any franchise agreements then in effect. There is currently no agreement in effect that significantly limits our right to use or license the use of such proprietary marks that are material to the franchise. The principal trademarks, listed above, are registered on the Principal Register of the United States Patent and Trademark Office.

There are currently no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending infringement, opposition or cancellation proceedings or proceedings by which the franchisor is seeking to prevent registration of a trademark in order to protect a trademark licensed by the franchisor; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We will have the right to take the action we think appropriate. We direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation. We may affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must pay for the defense or reimburse us for costs we incur in providing the defense, including the cost of any judgment or settlement. In any litigation relating to your use of the Proprietary Marks, you must sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in

performing such acts. We may require you to discontinue, modify, or substitute any of the Proprietary Marks as a result of pending or threatened litigation involving your use of the Proprietary Marks; provided that we will indemnify you for your actual out of pocket costs incurred to effectuate such change.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You may use only the Proprietary Marks, which we designate, and may use them only in the manner we authorize and permit. You may use the Proprietary Marks only for the operation of the Spa and only at the Approved Location or in marketing for the Spa. Unless we otherwise authorize or require, you may operate and advertise the Spa and the Franchised Business only under the name "Planet Beach®" and shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols "TM," "SM" or "R," as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any products, which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. Trademarks, patents, copyrights and proprietary information are protected under both state and federal law. Any violations may be pursued to the fullest extent of the law.

All of your marketing must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. All such marketing is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Proprietary Marks. You may use the Proprietary Marks including, trade dress, color combinations, designs, symbols, and slogans, only in the manner and in the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all marketing, publicity, signs, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, prior to first publication or use. We will not unreasonably withhold our approval.

We may substitute different proprietary marks for use in identifying the System and the businesses. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written notice and must promptly begin using such additional, modified or substituted Proprietary Marks at your expense.

You are prohibited from selling or reselling any products, equipment or other materials containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates without our express

written consent. You are required to give PBFC advance written notice before any attempt to sell or offer of sale of any of the foregoing products, equipment or other materials. Additionally, PBFC, its affiliate or its assignee will have the first right but not the obligation to purchase any products, equipment or other materials subject to any trademark, patent, trade secret, or other properietary or confidential information containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates used in connection with the operation of your Spa by providing you written notice of its election within six (6) months after termination or expiration of this Agreement. If PBFC exercises this right, PBFC will pay you the book value, subject to the condition of such products, equipment or other materials. For purposes of this Section, "book value" means the amount you actually paid for the products, equipment or other materials less depreciation (calculated by using the straight-line depreciation method on a 10-year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Where such option is exercised, Franchisee is responsible for all costs associated with securely disassembling, where applicable, storing and/or shipping or otherwise delivering in good condition and working order such personal property to a site determined by Franchisor.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Description	Date Applied	Title	Application Number	Serial No/ Sequence
HOTWORX® Provisional Application)	April 22, 2015	Method of Constructing a Portable Sauna	62/151.023	151023
HOTWORX® (Utility Application)	December 30, 2015	Systems and Methods for Isometric Exercise Training Within an Infrared Sauna	14/984,927	984927
HOTWORX® (International Utility Application)	April 29, 2016	Systems and Methods for Isometric Exercise Training Within an Infrared Sauna	PCT/US2016/028719	028719
HOTWORX® (Design Application)	May 29, 2017	HOTWORX® Infrared Sauna for Isometric Exercise Training	29/605,666 Issued on September 10, 2019 as Patent D859,674 (Note 1)	605666
HOTWORX® (Design Application)	March 3, 2020	Ornamental Design for a Water Rower	29/726,344	726344
HOTWORX® (Design Application)	March 3, 2020	Ornamental Design for a Resistance Device for Cycling	29/726,346	726346

Note 1: Design Patent D859,675 has a term of fifteen (15) years from the date of grant, September 10, 2019.

Our affiliate, HOT Brands, formerly PBB, is the assignee of the following patent applications:

On April 22, 2015, Franchisor filed a provisional patent application for Patent rights for the title of invention for the systems and methods for isometric exercise training within an infrared sauna.

On December 30, 2015, Franchisor filed a utility patent application for Patent rights for the title of invention for the systems and methods for isometric exercise training within an infrared sauna.

On April 21, 2016, Franchisor filed a Patent Cooperation Treaty application for

International Patent rights for the title of invention for the systems and methods for isometric exercise training within an infrared sauna.

On May 29, 2017, Franchisor filed a U.S. design patent application for Patent rights for the invention infrared sauna for isometric exercise training. Said application was granted on September 10, 2019 as Patent D859,674, which as a term of fifteen (15) years from that date.

On March 3, 2020, Franchisor filed a U.S. design patent application for Patent rights for the invention ornamental design for a water rower.

On March 3, 2020, Franchisor filed a U.S. design patent application for Patent rights for the invention ornamental design for a resistance device for cycling.

You will not have any rights, including rights to compensation, under the franchise agreement if we require you to modify or discontinue using the subject matter covered by the pending patents. We have no obligation to protect the patent, patent application or to defend you against any claims arising out of the use of the items that are subject to the pending patent applications.

During the term of the Franchise Agreement, you will receive information, which we consider to be a trade secret and/or confidential information. These materials are proprietary and confidential and are our property. You may use them only as long as you are a franchisee, and only as provided by your Franchise Agreement. You may not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business ("Confidential Information"). You may divulge such confidential information only to your employees who must have access to it in order to perform their employment obligations. Your Spa Director and any personnel having access to any of our Confidential Information must sign an agreement stating that they will maintain the confidentiality of information they receive in connection with their employment and restricting their right to work for a competitor while they are employed by you. This agreement, which will be in a form that is recognized by your state, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.
Patented Devices and Methods. During the term of this Agreement, Franchisee may receive, through purchase or otherwise, certain devices or methods subject to patents owned by Franchisor. To the extent that any such devices or methods are subject to registered patents, either by the USPTO, WIPO, or any other such entity, Franchisor expressly grants Franchisee a license to use and/or market said devices or methods only during the term of this Agreement. Should this Agreement be terminated for any reason by either Party, any and all licenses granted to Franchisee by Franchisor with respect to any patented devices and/or methods are considered revoked at the time of termination.

No Implied License. Each Party acknowledges that the rights and licenses granted in this Agreement are limited to the scope expressly granted. Accordingly, except for the rights

expressly granted under this Agreement, no right, title, or interest of any nature whatsoever is granted whether by implication, estoppel, reliance, or otherwise, by either Party to the other Party. All rights with respect to any know-how, patent or other intellectual property right rights that are not specifically granted herein are reserved to the owner thereof.

You will not have any rights, including rights to compensation, under the franchise agreement if we require you to modify or discontinue using the subject matter covered by the pending patents. We have no obligation to protect the patent, patent application or to defend you against any claims arising out of the use of the items that are subject to the pending patent applications.

PBFC claims common law copyright and trade secret protection for several aspects of the franchise system including our Operations Manual, marketing, and business materials, but we have not registered these materials with the Copyright Office of the Library of Congress. Trademarks, patents, copyrights and proprietary information are protected under both state and federal law. Any violations may be pursued to the fullest extent of the law.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. HOT Brands controls litigation related to proprietary information. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We are not required by any agreement to protect or defend our patent applications or copyrights. We are not aware of any infringing uses of any copyrighted materials that could materially affect our use of these materials. We may revise any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

You are prohibited from selling or reselling any products, equipment or other materials containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates without our express written consent. You are required to give PBFC advance written notice before any attempt to sell or offer of sale of any of the foregoing products, equipment or other materials. Additionally, PBFC, its affiliate or its assignee will have the first right but not the obligation to purchase any products, equipment or other materials subject to any trademark, patent, trade secret, or other properietary or confidential information containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates used in connection with the operation of your Spa by providing you written notice of its election within six (6) months after termination or expiration of this Agreement. If PBFC exercises this right, PBFC will pay you the book value, subject to the condition of such products, equipment or other materials. For purposes of this Section, "book value" means the amount you actually paid for the products, equipment or other materials less depreciation (calculated by using the straight-line depreciation method on a 10-year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Where such option is exercised, Franchisee is responsible for all costs associated with securely disassembling, where applicable, storing and/or shipping or otherwise delivering in good condition and working order such personal property to a site

determined by Franchisor.

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

PBFC recommends that You personally supervise and attend to the daily operation of your Spa. If You choose to operate the Spa through a full-time Spa Director that You designate to manage your location, your Spa Director must personally supervise the day-to-day operations of the Spa in your absence. While we do not impose any limitations on who you can hire as your full-time Spa Director, you and the designated Spa Director must successfully complete all components of PBFC's training program as described in Item 11 and must sign a Confidentiality and Non-Competition Agreement as described in Items 14 and 17 before assuming managerial responsibilities. Your designated Spa Director need not have an equity interest in the Franchised Business or in any partnership, corporation, or limited liability company franchisee. You and your domestic partner and/or spouse will be required to sign a personal guaranty in connection with the obligations specified in the Franchise Agreement.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

PBFC requires you to offer and sell only certain of those goods or services that PBFC has approved. PBFC requires you to offer and sell as part of your initial inventory certain goods based on approved services that You offer. (See Items 8 and 9). You must refrain from any deviation from our standards and specifications without our written consent and must discontinue selling and offering for sale any services or products that we disapprove or discontinue. PBFC has the right to change the types of authorized goods and services, and there are no limits on our right to make changes, or to require you to sell all or certain goods or services which are authorized by us.

You must use the approved location only for the operation of a Planet Beach® Spa, must keep the Spa open and in normal operation for the minimum hours and days that we specify or as required by your lease. You must refrain from using or permitting the use of the location for any other purpose or activity at any time without first obtaining our written consent and must operate your Spa in strict conformity with the methods, standards and specifications that we require in the Operations Manual or otherwise in writing. You must not deviate from these standards, specifications and procedures without our written consent.

You must operate your Spa in strict conformity with all applicable federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction. You are responsible for knowing of the existence and requirements of all laws, ordinances and regulations applicable to your Spa and for adhering to them.

We do not impose any restrictions or conditions that limit your access to customers if your spa remains compliant to the standards, specifications and procedures set forth in the franchise agreement.

Item 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and, if applicable, Area Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE OR RELATED AGREEMENTS	SUMMARY
a.) Length of the franchise term	Franchise Agreement, Section 4.1	Ten (10) years.
b.) Renewal or extension of the term	Franchise Agreement, Section 4.2	Renewal term is five (5) years.
c.) Requirements for franchisee to renew or extend	Franchise Agreement, Section 4.2	Notice to PBFC of your intent to renew; compliance with franchise agreement and any other agreement between you and PBFC; satisfaction of all monetary obligations owed to PBFC and its affiliates; right to remain in possession of premises; remodeling at PBFC's request; execution of current franchise agreement; compliance with training programs; execution of general release. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement.
d.) Termination by franchisee	None / Not Applicable	Franchisees may terminate the franchise agreement under any grounds permitted by state law.
e.) Termination by franchisor without cause	None / Not Applicable	None. Termination of a single unit franchise agreement permits the franchisor to also terminate the area development agreement. Termination of the area development agreement is not grounds for

		franchisor to terminate the single unit franchise agreement, except as provided in Section 23.2.16 of the Franchise Agreement.
f.) Termination by franchisor with cause	Franchise Agreement, Section 23	PBFC can terminate the Franchise Agreement if you default under the Franchise Agreement or any other agreement you have with us or any of our affiliates. Termination of a single unit franchise agreement permits the franchisor to also terminate the area development agreement. Termination of the area development agreement is not grounds for franchisor to terminate the single unit franchise agreement, except as provided in Section 23.2.16 of the Franchise Agreement.
g.) "Cause" defined - curable defaults	Franchise Agreement, Section 23	Failure to pay monies owed to PBFC and/or failure to comply with any term of the Franchise Agreement not listed in Section 23.2 of the agreement. Termination of a single unit franchise agreement permits the franchisor to also terminate the area development agreement. Termination of the area development agreement is not grounds for franchisor to terminate the single unit franchise agreement, except as provided in Section 23.2.16 of the Franchise Agreement.

h.) "Cause" defined – non-curable defaults (**Note 1**)	Franchise Agreement, Section 23	Assignment for benefit of creditors, insolvency, file for bankruptcy, sell, transfer or assign rights under the franchise agreement without PBFC approval, levy or writ of execution of lien placed against you, failure to complete all PBFC training, conviction of a felony, misrepresentation or falsifying material information in connection with this agreement, engaging in fraud or illegal conduct in connection with Spa, intentional underreporting or misstatement to proprietary marks, failure to obtain an Approved Location within 120 days of the agreement's effective date, failure to open Spa within 275 days of the agreement's effective date, abandoning your Spa, failure to cure any default under lease or sublease or for equipment, violation of confidentiality/non-disclosure obligations, violation of covenant not to compete, failure to strictly comply with the provisions contained in the Agreement for transfer by Franchisee upon death, disability or incompetence failure to obtain PBFC approval as required under the agreement, violation of the provisions of agreement on 2 or more occasions within a 12-month period. You lose all remaining rights to develop Planet Beach® spas. (Subject to state laws) Termination of a single unit franchise agreement permits the franchisor to also terminate the area development agreement. Termination of the area development agreement is not grounds for franchisor to terminate the single unit franchise agreement, except as provided in Section 23.2.16 of the Franchise Agreement.
i.) Franchisee's obligations on termination/non-renewal	Franchise Agreement, Sections 18 and 24	Cannot compete with PBFC for a period of two years in certain geographic areas.

		Pay to PBFC any sums owing; cessation of business operations; forfeiture of all database, including customer data; discontinuation of use of the name "Planet Beach"; transfer of phone number, email addresses, and URLs to PBFC; surrender to PBFC all proprietary information and materials; maintenance of books and records for a period of one year; delivery of list of employees to PBFC for three preceding years; provide evidence to PBFC of compliance with Section 24; vacate Spa premises; sale of property in connection with Spa to PBFC at PBFC's option. Your right to remove certain property from the premises is limited; pay the royalty fees, license and software fees, POS fees, and projected sales of whole sale goods based on the Spa's average performance that would otherwise be due for the remaining term of this Agreement discounted to present value using an interest rate of 8%; make such changes and modifications in your business methods, Spa facility, and otherwise if directed by PBFC. You lose all remaining rights to develop Planet Beach® spas. (Subject to state laws)
j.) Assignment of contract by franchisor	Franchise Agreement Section 21.1; Section 6 of Area Development Agreement	No restriction on our right to transfer
k.) "Transfer" by franchisee – defined	Franchise Agreement, Section 21; Section 6 of the Area Development Agreement	Includes transfer of the franchise agreement, all or substantially all assets of the business, or 51% or greater interest in the entity owning the business.
l.) Franchisor approval of transfer by franchisee	Franchise Agreement, Section 21.2; Section 6 of Area Development Agreement	PBFC must approve all transfers.

m.) Conditions for franchisor approval of transfer	Franchise Agreement, Section 21.3 and 21.7; Sections 6 and 7 of Area Development Agreement	On the condition that you satisfy all monetary and non-monetary obligations to PBFC, the buyer is qualified as a franchisee, buyer upgrades the spa, you provide to PBFC the sale and lease agreement and proof of insurance, buyer completes all training, buyer executes then-current Franchise Agreement, you execute a general release, payment of a transfer fee of $10,000 when selling location to an existing franchisee, payment of a resale fee of $19,950 when selling your location to a third-party entering into the franchise system. In the event the license is transferred to a new DMA or development area, you pay a transfer fee of $5,000.
n.) Franchisor's right of first refusal to acquire franchisee's business	Franchisee Agreement, Section 21.5	PBFC has the irrevocable first right and option to purchase your business on the same terms and conditions as any bona fide purchaser.
o.) Franchisor's option to purchase franchisee's business	Franchise Agreement, Section 21.5	PBFC has the option to purchase your personal property used in connection with your Spa by providing written notice within six (6) months of termination or expiration.
p.) Death or disability of franchisee	Franchise Agreement, Section 21.4	Your legal representative has the right to continue operation of your Spa without a transfer fee. Your legal representative must complete all training within 90 days of your death or disability.
q.) Non-competition covenants during the term of the franchise	Franchise Agreement, Section 18.1	Includes prohibition on owning or operating a business that sells similar products or operates similar business. This provision is subject to state law.
r.) Non-competition covenants after the franchise is terminated or expires	Franchise Agreement, Section 18.2	No competing business for 2 years within (1) the municipality and parish/county in which your Approved Location and Protected Territory are located; (2) the parishes/counties where other Planet Beach® franchises in Franchisee's state are located; and (3) any one of Louisiana's 64 parishes. This provision is subject to state

		law.
s.) Modification of the agreement	Franchise Agreement, Sections 22 and 26.1	Modifications must be in writing and signed by both PBFC and you. PBFC reserves the right to change PBFC's policies, procedure, standards, specifications or manuals at any time and without prior to notice to you. Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System must not remain static in order that it best serves the interest of Franchisor, Franchisees, and the System.
t.) Integration/merger clause	Franchise Agreement, Section 26; Section 28 of Area Development Agreement	Only the terms of the franchise agreement are binding (subject to state law). Any promises outside the disclosure document and franchise agreement may not be enforceable.
u.) Dispute resolution by arbitration or mediation	Franchise Agreement, Sections 25.2, 25.3 and 25.4; Sections 12, 13 and 14 of Area Development Agreement	You must first bring any claim or dispute between you and PBFC to your Regional Developer if you have one or to PBFC's legal counsel. If there is no resolution, you must agree to a face-to-face meeting with you, your attorney if you have retained one, a PBFC representative and PBFC's legal counsel. This meeting may occur via Skype or another virtual, face-to-face platform. If there is no resolution, at PBFC's option, you bring your claim or dispute to mediation in Jefferson Parish. Finally, you are required to proceed to arbitration or litigation at PBFC's option and shall be governed by the Federal Arbitration Act. This provision is subject to state law.
v.) Choice of forum	Franchise Agreement, Section 25.7; Section 17 of Area Development Agreement	24th Judicial District Court for the Parish of Jefferson, Louisiana, or in the United States District Court for the Eastern District of Louisiana at PBFC's discretion, subject to state law.

w.) Choice of law	Franchise Agreement, Section 25.1; Section 11 of Area Development Agreement	Louisiana law applies without regard to its conflict of laws, La Civ. Code arts. 3515 et seq., and any amendments and/or revisions. This provision is subject to state law.

NOTE 1: You are to select a site by executing an approved lease within 120 days and open your spa within 275 days of the agreement's effective date. However, Franchisor has the option to grant an extension upon request.

Additional disclosures for Item 17 are required by some states and are noted in Exhibit K attached hereto.

Item 18
PUBLIC FIGURES

PBFC does not use any public figures to promote its 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.

Reasonable Basis for Financial Performance Representation: Gross Sales Historical Data for both franchise and corporate owned outlets.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

These spas are substantially similar to the spa you will operate if you decide to become a franchisee.

During the 2020 fiscal year, Planet Beach had 43 operational franchise outlets. The following gross sales data is based on historical financial data of outlets, which is provided to us by our

proprietary software for our franchised locations. Annual Gross Sales is defined as the sum of income derived from monthly membership sales, memberships paid in full, and retail sales less refunds and discounts. These figures do not account for any monies that may have been obtained through the Paycheck Protection Program ("PPP") in 2020. The financials are unaudited.

Of the 43 operational franchise outlets in 2020, the leading franchise outlet had annual gross sales of $429,544. The bottom franchise outlet had annual gross sales of $40,678. The average of annual gross sales in 2020 for operational franchise outlets was $148,233 and the median was $130,128.

Of the operational franchise outlets in 2020, 19 outlets or 44%met or exceeded the revenue average listed above.

The average number of members for the franchise outlets in 2020 was 240.8 with a high of 529 and a low of 66 and a median of 215. Of the operational franchise outlets in 2020, 18 outlets or 41.8% met or exceeded the membership average.

For comparison, 2019 fiscal year is provided, to maintain consistency the same 43 2020 operational franchise outlets. Table 19 gross sales data is based on historical financial data, which is provided to us by our proprietary software for our franchised and corporate locations. The financials are unaudited.

Of these 43 operational franchise outlets, the leading franchise outlet had annual gross sales in 2019 of $566,313. The bottom franchise outlet had annual gross sales in 2019 of $4,647. The average of annual gross sales in 2019 for operational franchise outlets was $205,027 and the median was $198,846.

Of these operational franchise outlets, 19 outlets or 44% met or exceeded the revenue average listed above.

The average number of members for the operational franchise outlets in 2019 was 247 with a high of 540 and a low of 21 and a median of 254. Of the operational franchise outlets in 2019, 22 outlets or 51.1% met or exceeded the membership average.

Written substantiation for these representations will be made available to a prospective franchisee upon reasonable request.

General Notes to Item 19:

Other than the preceding financial performance representation, Planet Beach does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that

outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Nancy Price, our Vice President of Franchise Development at 5145 Taravella Rd, Marrero, LA 70072 and at nancy.price@planetbeach.com., the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No.1
SYSTEMWIDE OUTLETS SUMMARY FOR FISCAL YEARS 2018, 2019 & 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchisee	**2018**	99	82	-17
	2019	82	58	-24
	2020	58	43	-15
Company Owned	**2018**	4	4	0
	2019	4	6	+2
	2020	6	6	0
Total Outlets	**2018**	103	86	-17
	2019	86	70	-16
	2020	64	49	-15

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR FISCAL YEARS 2018, 2019 & 2020

State	Year	Number of Transfers
Arizona	2018	1
	2019	1
	2020	0
Florida	2018	3
	2019	3
	2020	0
Louisiana	2018	0
	2019	1
	2020	2
Texas	2018	3
	2019	4
	2020	0
Total	2018	7
	2019	9
	2020	2

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS FOR FISCAL YEARS 2018, 2019 & 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AK	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
AL	2018	3	0	0	0	0	1	2
	2019	2	0	0	0	0	1	1
	2020	1	0	0	0	0	0	1
AZ	2018	6	0	0	0	0	2	4
	2019	4	0	1	0	0	1	2
	2020	2	0	0	0	0	1	1
CA	2018	12	0	0	0	0	1	11
	2019	11	0	1	0	0	3	8
	2020	8	0	0	0	0	2	6
CO	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
FL	2018	8	0	0	0	0	3	5
	2019	5	0	0	0	0	1	4
	2020	4	0	0	0	0	0	4
GA	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
ID	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
IL	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0

IN	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
KS	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
LA	2018	17	0	0	0	0	3	14
	2019	16	0	0	0	2	0	14
	2020	14	0	0	0	1	4	9
MN	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
MS	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
MT	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
NC	2018	3	0	0	0	0	2	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
NV	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
	2020	0	0	0	0	0	0	0
NY	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
OH	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
PA	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2018	0	0	0	0	0	0	0

SC	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
TN	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
TX	2018	17	0	0	0	0	0	17
	2019	17	0	0	0	1	2	14
	2020	14	0	0	0	0	3	11
UT	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	1	3
WA	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
WI	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Intl	2018	14	1	0	0	0	1	14
	2019	14	0	0	0	0	6	8
	2020	8	0	0	0	0	0	8
Totals	2018	99	0	0	0	0	17	82
	2019	82	0	8	0	1	15	58
	2020	58	0	0	0	1	14	43

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS FOR FISCAL YEARS 2018, 2019 & 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
LA	2018	3	0	0	0	0	3
	2019	5	0	0	0	0	5
	2020	5	0	0	0	0	5
TX	2018	0	0	0	0	0	0
	2019	0	0	1	0	0	1
	2020	1	0	0	0	0	0
Totals	2018	3	0	2	1	1	3
	2019	3	0	3	0	0	6
	2020	6	0	0	0	0	6

TABLE NO 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2020

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2020)	Projected New Company-Owned Outlets in the Next Fiscal Year (2020)
California	0	0	0
Florida	0	0	0
Georgia	0	0	0
Idaho	0	0	0
Indiana	0	0	0
Kansas	0	0	0
Louisiana	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Missouri	0	0	0
Montana	0	0	0
North Carolina	0	0	0
Nevada	0	0	0
New York	0	0	0
Ohio	0	0	0
Texas	0	0	0
Utah	1	1	0
Wisconsin	0	0	0
Totals	1	1	0

Exhibit C of this disclosure document contains a list of our current franchisees as of December

31, 2020. Exhibit D contains a list of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Note that some franchisees have signed confidentiality agreements in the last three years, restricting their ability to speak openly about their experience in the Planet Beach system. You may wish to speak to current or former franchisees but be aware that not all of those franchisees will be able to communicate with you.

Item 21
FINANCIAL STATEMENTS

Exhibit E of this disclosure document contains our audited financial statements for fiscal years 2018, 2019 and 2020 (January 1, 2018 – December 31, 2020), as well as our 90-day balance sheet and income statement.

Item 22 CONTRACTS

Exhibits F, G, H and I of this disclosure document contain all contracts proposed for use in this state, including the following agreements:

Exhibit F - Franchise Agreement
- Exhibit 1 - Authorized Products and Services
- Exhibit 2 - Approved Location and Territory Addendum
- Exhibit 3 - Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit 4 - Rider to Lease
- Exhibit 5 – Software License Agreement
- Exhibit 6 - Confidentiality and Non-Competition Agreement
- Exhibit 7 - Conditional Assignment of Telephone Numbers, Email Addresses, Social Media and Other URLs
- Exhibit 8 - Statement of Prospective Franchisee

Exhibit G - Area Development Agreement
Exhibit H - Transfer/Termination Release
Exhibit I - Confidentiality Agreement

Item 23 RECEIPT

Exhibit M of this disclosure document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one copy for your records and return the other signed copy to: Planet Beach® Franchising Corporation, 5145 Taravella Road, Marrero, Louisiana 70072.

EXHIBIT A

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90010-1105 (213) 576-7500	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285
Florida Department of Agricultural & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, Florida 32399-0800 (904) 922-2770	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street Room 201 Honolulu, HI 96813 (808) 586-2722	Oregon Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building P.O. Box 14610 Salem, Oregon 97310 (503) 378-4387
Illinois Office of Attorney General Franchise Division 500 South Second Street Springfield, Illinois 62701 (217) 782-4465	Chief Securities Examiner State of Rhode Island Dept. of Business Regulations Securities Division Franchise Section 1511 Pontiac Avenue Building 68-2 Cranston, Rhode Island 02920 (401) 222-3048
Indiana Securities Division 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6531	South Dakota Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563

Kentucky Office of the Attorney General Consumer Protection Division 1024 Capital Center Drive, Suite 200 Frankford, Kentucky 40601 (502) 696-5389	Texas Secretary of State Statutory Document Section P.O. Box 12887 Austin, Texas 78711 (512) 463-5600
State of Maryland Office of the Attorney General Division of Securities 200 St. Paul Place, 20th Floor Baltimore, Maryland 21202 (410) 576-6360	State of Utah Division of Consumer Protection P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601
Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section G. Mennen Williams, Bldg., First Flr. Lansing, Michigan 48933 (517) 335-7567	Virginia State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9276
Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	State of Washington Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501 (360) 902-8769
Nebraska Department of Banking and Finance P.O. Box 95006 1526 K Street, Suite 300 Lincoln, Nebraska 68508-5006 (402) 471-3445	Wisconsin Division of Securities 101 East Wilson Street, 4 Floor Madison, Wisconsin 53703 (608) 266-3431

EXHIBIT B

PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

California Dept. of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013-2344	New York Secretary of State 99 Washington Avenue Albany, NY 12231
Hawaii Dept. of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 205 Honolulu, HI 96813	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
Illinois Office of the Attorney General 500 South Second Street Springfield, IL 62701	Rhode Island Director of Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex, Bldg. 68-2 Cranston, Rhode Island 02920
Indiana Secretary of State Securities Division 302 West Washington Street Indianapolis, IN 46204	South Dakota Department of Labor & Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501
Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202	Virginia Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Michigan Corporations and Securities Bureau of the Department of Commerce 611 W. Ottawa P.O. Box 30004 Lansing, MI 48909	Washington Dept. of Financial Institutions 150 Israel Road Tumwater, WA 98501
Minnesota Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 280	Wisconsin Commissioner of Securities 101 East Wilson Street, 4th Floor Madison, WI 53702

St. Paul, MN 55101-2198	

EXHIBIT C

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT LIST OF FRANCHISEES

FDD Store/Franchise List		
Displays the state-wide list of all the active Franchisees.		
Alabama		
325 S Greeno Rd Fairhope, AL 36532	(251) 990-0097 Darlene.harris@planetbeach.com	Darlene Harris
Alaska		
2001 E 88th Ave, Ste 101 Anchorage, AK 99507	(907) 346-7727 Heather.cortez@planetbeach.com	Heather & David Cortez
Arizona		
12112 North Rancho Vistoso Blvd # 16 Tucson, AZ 85755	(520) 877-8266 kristi.barnett@planetbeach.com	Kristi Barnett
California		
1168 East Yosemite Ave Manteca, CA 95337	(209) 824-3826 Deanna.hitt@planetbeach.com	Nancy Hitt
1800 Oakdale Rd, Ste I Modesto, CA 95355	(209) 551-4826 Kelly.sears@planetbeach.com	Kelly Sears
226 Lincoln Center Stockton, CA 95207	(209) 477-4726 Dan.gato@planetbeach.com	Dan & Marvis Gato
1320 Standiford Ave #10 Modesto, CA 95358	(209) 579-1330 Deanna.hitt@planetbeach.com	Nancy Hitt
4530 Balfour Rd, Ste A Brentwood, CA 94513	(925) 634-9826 Kevin.nunes@planetbeach.com	Kevin Nunes
40250 Murietta Springs, Unit 112 Murietta, CA 92563	(408) 262-8772 Christian.muhic@planetbeach.com	Christian Muhic

Florida		
13820 Old St. Augustine Rd Jacksonville, FL 32258	(904) 880-4826 alison.smith@planetbeach.com	Alison Smith
11700 San Jose Blvd, #12 Jacksonville, FL 32223	(904) 288-0826 trish.neustadt@planetbeach.com	Trish Neustadt
13457 Atlantic Blvd Jacksonville, FL 32225	(904) 221-0162 julie.olinto@planetbeach.com	Julie Olinto

Idaho		
1111 Blue Lakes Blvd N, Suite C Twin Falls, ID 83301	(208) 732-0772 Tami.walker@planetbeach.com	Tami Walker
Kansas		
324-A Southwind Rd Manhattan, KS 66502	(785) 779-8267 Price.rauch@planetbeach.com	Price & Sarah Rauch
Louisiana		
701 Dante St New Orleans, LA 70118	(504) 891-8267 Stephen.smith@planetbeach.com	Corporate
301 Burgundy St New Orleans, LA 70112	(504) 525-8266 Donda.skipper@planetbeach.com	Donda Skipper
819 W. Esplanade Ave Kenner, LA 70065	(504) 468-8266 Cathy.blanchard@planetbeach.com	Cathy Blanchard
3501 Severn Ave, Ste 7 Metairie, LA 70002	(504) 456-6373 Paige.stuart@planetbeach.com	Paige & Adam Stuart
5720 Corporate Blvd Baton Rouge, LA 70808	(225) 927-4826 Tim.normand@planetbeah.com	Tim & Teresa Normand
1602 S Burnside Ave, Ste B Gonzalez, LA 70737	(225) 647-7851 Justin.williams@planetbeach.com	Justin Williams
1309 Barataria Blvd, Ste A Marrero, LA 70072	(504) 340-8267 Nancy.price@planetbeach.com	Nancy Price
701 Metairie Rd Metairie, LA 70005	(504) 836-2826 Michael.chappuis@planetbeach.com	Michael Chappuis
8615 Hwy 23 Belle Chasse, LA 70037	(504) 433-9040 David.ledet@planetbeach.com	David Ledet
17188 Airline Hwy Ste. F Prairieville, LA 70769	(225) 744-4826 paige.stuart@planetbeach.com	Paige & Adam Stuart
4783 Secretary Dr Zachary, LA 70791	(971) 701-3410 frank.boussard@planetbeach.com	Frank & Codie Boussard
12715 Hwy 90 Ste 110 Luling, LA 70070	(985) 331-8266 Wyndy.chopin@planetbeach.com	Wyndy & Joab Chopin
70452 Hwy 21, Ste 400 Covington, LA 70433	(985) 871-8267 Paige.stuart@planetbeach.com	Adam & Paige Stuart
1680 Hwy 59 Mandeville, LA 70448	(985) 674-5772 Tim.richardson@planetbeach.com	Tim Richardson
Mississippi		
15238 Crossroads Pkwy Gulfport, MS 39503	(228) 832-7724 Chuck.mayeux@planetbeach.com	Charles Mayeux
1010 South 41st St Hattiesburg, MS 39402	(601) 436-0072 Charlene.ramey@planetbeach.com	Charlene Ramey

Montana		
2030 Cromwell Dixon Ln., Unit 1 Helena, MT 59601	(406) 449-6500 Darciejo.stone@planetbeach.com	Darcie Jo Stone & Julianne Hill
5050 Harrison Ave. Butte, MT 59701	(406) 494-0772 Jamie.reopelle@planetbeach.com	Jamie Reopelle
Pennsylvania		
US-202 & Township Line Rd Blue Bell, PA 19422	(610) 272-6101 Maddy.aten@planetbeahc.com	Maddy Aten
Texas		
103 W Loop 281, Ste 206 Longview, TX 75605	(903) 663-2010 Ashlee.campbell@planetbeach.com	Ashlee Campbell
1804 FM 646-W, Ste C League City, TX 77573	(281) 534-4899 Paula.adams@planetbeach.com	Paula Adams
1200 Waters Edge Dr, Ste 118 Granbury, TX 76048	(817) 573-9020 Keith.westmoreland@planetbeach.com	Keith & Julie Westmoreland
4505 98th St, Ste 160 Lubbock, TX 79424	(806) 687-9655 Jim.burns@planetbeach.com	Jim & Jennifer Burns
1035 N Hwy 77, Ste 450 Waxahachie, TX 75165	(972) 937-9455 Jose.gonzalez@planetbeach.com	Jose Gonzalez
6503 FM 1488 Rd #409 Magnolia, TX 77354	(281) 356-8909 James.walker@planetbeach.com	James Walker
2717 Howell St, Ste B Dallas, TX 75204	(214) 468-9008 Paige.stuart@planetbeach.com	Corporate
15260 Hwy 105 W #134 Montgomery, TX 77356	(936) 242-6996 John.stash@planetbeach.com	John Stash
1012 E Hwy 80 Ste B Forney, TX 75216	(972) 552-1505 Keith.westmoreland@planetbeach.com	Keith & Julie Westmoreland
2665 Royal Forest Dr Ste B100 Kingwood, TX 77339	(281) 312-1130 Riely.mieth@planetbeach.com	Riely & Tracy Mieth
3109 Dixie Farm Rd, Ste 108 Pearland, TX 77581	(281) 482-9862 Paula.adams@planetbeach.com	Paula Adams
4665 Southwest Hwy Houston, TX 77027	(713) 963-8786 Lee.schuppenhauer@planetneach.com	Lee Schuppenhauer
Utah		
330 North Marketplace Dr B900 Centerville, UT 84014	(801) 298-0772 Dena.stewart@planetbeach.com	Dena Stewart
1320 E Hwy 193 Layton, UT 84014	(436) 764-8269 Eric.baugh@planetbeach.com	Eric & Carrie Baugh

1917 W 1800 N D7 Clinton, UT 84015	(801) 658-9009 Rob.brenchley@planetbeach.com	Rob Brenchley

If you are granted a franchise, your contact information may be disclosed to other prospective and current franchisees if and when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Planet Beach. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

EXHIBIT D

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

LIST OF EXITED FRANCHISEES AND/OR LOCATIONS AS OF DECEMBER 31, 2020 (prior year only)

ARIZONA	
AZ0088 **Kory Williams & Amanda Williams** **4246 N. 1st Ave., Ste.160** **Tucson, AZ 85718** **(520) 623-0772**	
CALIFORNIA	
CA0012 **Perry Johnson & Christi Johnson** **13890 Peyton Dr. Ste. C** **Chino Hills, CA 91709** **(909) 465-9911**	**CA0022** **Sallie Hodge** **787 E. Foothill Blvd.** **San Luis Obispo, CA 93405** **(805) 545-8267**
LOUISIANA	
LA0054 **Kerri Bozeman** **28050 Walker South Rd.** **Walker, LA 70707** **(225) 667-8262**	**LA0011** **Jodie Mateu & Luis Mateu** **1000 S. Clearview Pkwy., Ste. 1006** **New Orleans, La 70123** **(504) 736-0550**
LA0030 **Brian Trascher** **6921 Veterans Blvd.** **Metairie, LA 70003** **(504) 872-9525**	**LA0020** **Vickie Deihl** **701 Dante Street** **New Orleans, LA 70118** **(504) 865-8266**
LA0057 **Carla Frickey** **12715 Highway 90, Suite 101** **Luling, LA 70070** **(985) 331-8266**	

OHIO	
OH0010 **Caroline Mourad & Michael Mourad** **25145 Cedar Road** **Lyndhurst, OH 44124** **(216) 417-6409**	
TEXAS	
TX0126 **Richard Trevino & Donna Trevino** **23144 Cinco Ranch Blvd., Ste. E** **Katy, TX 77494** **(281) 574-5474**	
TX0154 **James Walker & Teresa Walker** **5182 Buffalo Speedway** **Houston, TX 77005** **(713) 667-1826**	**TX0151** **Maury Dumba** **636 Hwy. 6 Ste 400** **Sugarland, TX 77478** **832-939-8086**
UTAH	
UT0013 **David Crowther & Shelley Crowther** **2376 East Redcliffs Dr.** **St. George, UT 84790** **(435) 272-1062**	

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LIST OF EXITED DOMESTIC FRANCHISEES THROUGH TRANSFERS AS OF DECEMBER 31, 2020 (prior year only)

LOUISIANA	
LA0006 **Wendy Sequeira** **3501 Severn Ave., Ste. 7** **Metairie, LA 70002** **(504) 456-6373**	**LA0014** **Justin Williams** **1602 S Burnside Ave, Ste B** **Gonzalez, LA 70737** **(225) 647-7851**
LA0057 **Carla Frickey** **12715-C US-90 #2** **Luling, LA 70070** **(985) 331-8266**	

If you are granted a franchise, your contact information may be disclosed to other prospective or current franchisees when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Planet Beach®. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

EXHIBIT E

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISEE DISCLOSURE DOCUMENT FINANCIAL STATEMENTS

PLANET BEACH® FRANCHISING CORPORATION AUDITED FINANCIAL STATEMENTS

December 31, 2018/2019/2020

PLANET BEACH FRANCHISING CORPORATION AND SUBSIDIARIES

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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2322 Tremont Drive ● Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C ● Denham Springs, LA 70726
Phone: 225.928.4770 ● Fax: 225.926.0945
650 Poydras Street, Suite 1200 ● New Orleans, LA 70130
Phone: 504.274.0200 ● Fax: 504.274.0201
www.htbcpa.com

Independent Auditor's Report

Board of Directors and Stockholders
Planet Beach Franchising Corporation
and Subsidiaries
Marrero, Louisiana

We have audited the accompanying consolidated financial statements of Planet Beach Franchising Corporation and Subsidiaries, which comprise the Consolidated Balance Sheet as of December 31, 2020, and the related Consolidated Statements of Income, Changes in Stockholders' Equity (Deficit), and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Planet Beach Franchising Corporation and Subsidiaries as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The comparative financial statements of Planet Beach Franchising Corporation and Subsidiaries as of and for the years ended December 31, 2019 and 2018 were audited by other auditors who issued an unmodified opinion on June 9, 2020.

Respectfully submitted,

Harris J. Bourgeois, LLP

June 30, 2021
New Orleans, Louisiana

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
Current Assets:		
Cash and Cash Equivalents	$ 512,871	$ 540,739
Restricted Cash	-	103,852
Total Cash	512,871	644,591
Receivables	1,065,042	218,083
Equity Securities	561,500	202,466
Investment in HOTWORX Franchising, LLC	408,734	169,653
Investment Property	306,345	-
Inventory	181,044	231,144
Deferred Income Tax Asset	-	50,000
Employee Advances	-	35,033
Current Portion of Note Receivable - Related Party	7,579	12,000
Prepaid expenses and other assets	19,870	51,027
Total Current Assets	3,062,985	1,613,997
Property and Equipment, Net	1,476,032	1,555,648
Deferred Income Tax Asset	25,247	21,340
Intangibles Assets, Net	99,712	109,681
Notes Receivable	-	35,424
Note Receivable - Related Party	101,028	108,600
Deposits	-	6,170
Total Assets	$ 4,765,004	$ 3,450,860

(CONTINUED)

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF DECEMBER 31, 2020 AND 2019

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	2020	2019
Current Liabilities:		
Line of Credit	$ -	$ 75,108
Current Portion of Note Payables	429,835	390,661
Accounts Payable	940,950	64,626
Accrued Liabilities	392,949	100,189
Due to Affiliates	480,991	1,140,968
Deferred Income Tax Liability	254,517	2,964
Total Current Liabilities	2,499,242	1,774,516
Long-Term Liabilities:		
Note Payable	1,587,007	1,855,021
Deferred Revenue	179,722	244,350
Deferred Income Tax Liability	-	2,964
Total Liabilities	4,265,971	3,876,851
Stockholders' Equity (Deficit):		
Common Stock - $0.0001 Par Value - 5,000,000 Shares Authorized, 3,843,160 Shares Issued, 3,720,474 Shares Outstanding	385	385
Additional Paid-In Capital	679,427	679,427
Retained Earnings (Deficit)	(180,779)	(1,105,803)
Total Stockholders' Equity (Deficit)	499,033	(425,991)
Total Liabilities and Members' Equity	$ 4,765,004	$ 3,450,860

The accompanying notes are an integral part of these financial statements.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31,

	2020	2019	2018
Revenue:			
Sales of Spa Equipment and Products	$ 10,175,550	$ 8,582,833	$ 3,511,420
Franchise Fees	59,577	40,096	60,000
Royalties and Other Related Fees	1,018,866	1,059,160	1,087,801
Vendor Rebates	256,742	353,467	170,887
	11,510,735	10,035,556	4,830,108
Expenses:			
Costs of Goods Sold	6,223,954	6,167,075	1,585,380
Operating Expenses	2,062,018	1,397,679	1,424,439
Payroll and Related Payroll Taxes	1,675,674	1,518,915	1,101,264
Commissions	395,152	146,325	37,432
Depreciation and Amortization	114,219	113,540	115,558
	10,471,017	9,343,534	4,264,073
Operating Income	1,039,718	692,022	566,035
Other Income (Expense):			
Bad Debts	(297,733)	(127,140)	-
Loss on Disposal of Property and Equipment	(3,768)	-	-
Net Realized Gain on Equity Securities	17,595	-	-
Net Unrealized Gain on Equity Securities	83,731	-	-
Interest and Dividends	9,508	-	-
Interest Expense	(71,999)	(153,123)	(149,184)
Income (Loss) from Investment in HOTWORX Franchising, LLC	266,570	169,653	(233,157)
Miscellaneous	69,549	-	-
SBA CARES Act Loan Assistance	123,535	-	-
PPP Loan Forgiveness	383,000	-	-
	579,988	(110,610)	(382,341)
Income Before Provision (Benefit) for Income Taxes	1,619,706	581,412	183,694
Provision (Benefit) for Income Tax	294,682	68,373	16,298
Net Income	$ 1,325,024	$ 513,039	$ 167,396

The accompanying notes are an integral part of these financial statements.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

AS OF DECEMBER 31, 2020 AND 2019

	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total Equity (Deficit)
	Shares	Amount			
Balance, December 31, 2018	3,843,160	$ 385	$ 679,427	$ (1,214,321)	$ (534,509)
Cumulative Effect Adjustment of Top 606	-	-	-	(224,446)	(224,446)
Net Income	-	-	-	513,039	513,039
Dividends Paid	-	-	-	(180,075)	(180,075)
Balance, December 31, 2019	3,843,160	385	679,427	(1,105,803)	(425,991)
Net Income	-	-	-	1,325,024	1,325,024
Dividends Paid	-	-	-	(400,000)	(400,000)
Balance, December 31, 2020	3,843,160	$ 385	$ 679,427	$ (180,779)	$ 499,033

The accompanying notes are an integral part of these financial statements.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

	2020	2019	2018
Cash Flows from Operating Activities:			
Net Income	$ 1,325,024	$ 513,039	$ 167,396
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Bad Debt			
Depreciation and Amortization	297,733	127,140	-
Cumulative Effect Adjustments Topic 606	114,219	113,540	115,558
Net Realized and Unrealized Gains on Equity Securities	-	(224,446)	-
Provision (Credit) for Deferred Income Taxes	(66,136)	(2,466)	-
PPP Loan Forgiveness	294,682	38,735	7,763
Gain on Disposal of Property and Equipment	(383,000)	-	-
Dividends Paid	3,768	-	-
Changes in Assets and Liabilities:	(400,000)	(180,075)	-
(Increase) Decrease in Receivables			
(Increase) Decrease in Inventory	(1,144,692)	-	29,169
(Increase) Decrease in Employee Advances	50,100	109,434	143,275
(Increase) Decrease in Prepaids and Other Assets	35,033	(1,250)	-
Increase (Decrease) in Accounts Payable	37,327	29,321	110,142
Increase (Decrease) in Deferred Franchise Fees	876,324	(73,142)	(83,787)
Increase (Decrease) in Accrued Liabilities	(64,628)	184,350	(60,000)
Increase (Decrease) in Customer Deposits	292,760	(26,437)	(133,930)
Net Cash Provided by Operating Activities	-	14,598	(245,414)
	1,268,514	622,341	50,172
Cash Flows from Investing Activities:			
Purchases of Property and Equipment	(28,402)	(475,000)	-
Net (Increase) Decrease in Notes Receivable	47,417	20,000	68,000
Net (Purchases) Proceeds of Equity Investments	(292,898)	(200,000)	-
Net (Increase) Decrease in Investment in HOTWORX Franchising, LLC	(239,081)	(432,007)	-
Purchase of Investment Property	(306,345)	-	-
Net Cash Provided by (Used in) Investing Activities	(819,309)	(1,087,007)	68,000
Cash Flows from Financing Activities:			
Net Proceeds (Payments) on Line of Credit	(75,108)	(163,723)	33,000
Proceeds from Issuance of Long-Term Debt	916,000	325,000	-
Payments on Long-Term Debt	(761,840)	(278,129)	(260,618)
Net (Payments) Advances from Affiliate	(659,977)	902,261	46,566
Net Cash Provided by (Used in) Financing Activities	(580,925)	785,409	(181,052)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(131,720)	320,743	(62,880)

(CONTINUED)

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31,

	2020	2019	2018
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	644,591	323,848	386,728
Cash, Cash Equivalents and Restricted Cash - End of Year	$ 512,871	$ 644,591	$ 323,848
Supplemental Disclosure of Cash Flow Information:			
Income Tax Payments	$ -	$ -	$ 2,837
Payments for Interest	$ 69,641	$ 153,140	$ 149,184

The accompanying notes are an integral part of these financial statements.

PLANET BEACH FRANCHISING CORPORATION
AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 1 - Nature of Business and Summary of Significant Accounting Policies -

Nature of Business

Planet Beach Franchising Corporation ("the Company") was initially incorporated on September 26, 1996, under the laws of the State of Louisiana. On March 25, 2008, the Company reincorporated under the laws of the State of Nevada. In conjunction with the reincorporation, authorized common stock was increased from 15 million to 100 million shares, and the par value decreased from $0.001 to $0.0001 per common share. In addition, 10 million shares of preferred stock having a par value of $0.0001 per share were authorized for issuance. On March 18, 2010, the Company reincorporated under the laws of the State of Delaware. In conjunction with the reincorporation, the Company affected a 1 for 3.5 reverse stock split of its common stock. On January 4, 2012, the Company amended and restated its certificate of incorporation with the Stateof Delaware. This restatement eliminated all preferred stock previously authorized for issuance andreduced the number of common stock authorized for issuance to $5 million shares with no change to par value per share.

Currently, the Company is engaged in the business of selling Planet Beach spray and spa franchises throughout the United States and abroad. The Company has master franchisors with open locations in Canada, Saudi Arabia, Poland and Panama. The Company also sells spa equipment and products to new and existing franchises.

The Company has four wholly-owned subsidiaries, Planet Beach Real Estate, LLC ("PBRE"), Gift Card Management, LLC ("GCM"), Planet Beach International, LLC ("PBI"), and Luling Spa LLC. PBRE has been largely inactive since 2005. GCM was formed to record the purchases and redemptions of consumer gift cards and has been largely inactive since 2012. PBI was established to recruit master franchisors in international locations under long-term contractual arrangements; whereby, the master franchisor is given the right to sell Planet Beach spray and spa franchises within the designed international region. Master franchisors pay an initial master franchise fee upon entering the agreement. The master franchisor also remits to the Company a percentage of thelicense fee, product and equipment sales and royalties collected from the international franchise locations. Luling Spa LLC was established in April 2015 to operate the Company's only corporate owned location.

In early 2013, the Company entered into an agreement with a software developer to develop and implement new point-of-sale ("POS") software for all franchised locations. This POS software is owned by Spa Intel LLC, which was formed January 28, 2013 in the State of Louisiana, for the purpose of licensing the POS software to Planet Beach franchisees and other businesses in exchange for fees payable to the Company. The ownership of Spa Synergy, LLC (formerly Spa Intel) is divided between the Company and the software developer, 55% and 45%, respectively.The Company's portion of revenues and expenses associated within the POS software are included with the consolidated statement of operations.

During 2017, the Company entered into an agreement with an employee to form HWX, LLC to manufacture HOTWORX saunas and equipment. The ownership of HWX, LLC is divided between the Company and the employee, 95% and 5%, respectively. All revenues and expenses associated with HWX, LLC are included in the consolidated statement of operations.

In December 2014, the Company launched its eCommerce product purchasing website www.planetbeachshop.com. The B2B function allows existing franchisees to purchase at wholesale prices, products and accessories for their spas online with same or next day shipping. The B2C function allows the Company to sell these same products and accessories directly to consumers at retail prices with same or next day shipping.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the accounts of Planet Beach Franchising Corporation and its wholly and majority owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Company's franchise arrangements provide its franchisee entities the power to direct the activities that most significantly impact their economic performance; therefore, it does not consider itself to be the primary beneficiary of any such entity that might be a variable interest entity.

Accounting Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

Cash, Cash Equivalents and Restricted Cash

The Company continually monitors its positions with, and the credit quality of the financial institutions in which it maintains its deposits and investments. As of December 31, 2020, the Company maintained balances in various cash accounts in excess of federally insured limits. All highly liquid instruments purchased with an original maturity of three months or less are considered cash equivalents.

Certain states require the initial franchise fee be deposited in escrow until the franchise commences business. Once the location commences business, the state will release the funds. Until funds are released, the revenue for the franchise sale is partially or fully deferred. As of December 31, 2020 and 2019, there was no restricted cash related to these escrow deposits.

Cash held related to the advertising funds are classified as restricted cash as there are legal restrictions on the use of these funds and as such, the Company intends to use these funds solely to support the advertising funds rather than to fund operations. Total cash balances related to the

advertising fund as of December 31, 2020 and 2019 was $-0- and $3,852, respectively.

Receivables

Receivables consist primarily of franchise royalties and product sales, which are carried at original invoice amount.

Receivables are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Inventory

The Company's inventory consists of spa and tanning lotions, spa equipment, and promotional clothing. Inventory is valued at the lower of cost or market, computed on an average perpetual basis.

Investment Securities

The Company has investments in certain equity securities and reports them at fair value, with unrealized gains or losses credited or charged to other income (loss) on the Statements of Income. The specific identification method is used to determine cost in computing realized gains or losses. The value of substantially all securities is determined by quoted market prices.

Investment Property

In 2020, the Company purchased a building and property in Covington, Louisiana for investment purposes. The investment is carried at cost, and there is no impairment for the year ended December 31, 2020.

Property and Equipment

Property and equipment and leasehold improvements are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line method over the estimated useful lives of various classes of depreciable assets, which range from 5-15 years. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the reasonably assured lease term.

Maintenance and repairs are charged to expenses as incurred. Improvements and renewals are capitalized and depreciated over the remaining estimated useful life. When property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are relieved, and any gain or loss is included in income.

Intangible Assets

Intangible assets consist of trademarks. The Company's trademarks are stated at cost and amortized using a straight-line method over a 20-year life. The Company tests for impairment of its intangible assets at minimum, on an annual basis. The Company does not believe that any impairment exists as of December 31, 2020 and 2019.

Notes Receivable

Notes receivable consists of domestic area developer fees and international territory fees, settlements, restructured royalty fees, software revenues and related party borrowings. A note is considered impaired if it is probable that the Company will not collect all principal and interest contractually due. The impairment is measured based on the present value of expected future cash flows discounted at the note's interest rate.

The Company does not accrue interest when a note is considered impaired. When ultimate collectability of the principal balance of the impaired note is in doubt, all cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and are recognized as interest income thereafter.

Impairment losses are charged to bad debt expense. The notes have interest rates ranging from non-interest bearing to 18.0 percent and will mature in accordance with scheduled maturities through December 2031.

National Advertising and Brand Development

The Company collects National Advertising and Brand development royalties from its franchisees. Franchises that were established before April 1, 2008 are required to contribute 1% of gross sales to the National Advertising Fund as a royalty for the development and distribution of national marketing efforts for the benefit of all franchises within the Planet Beach system. The Company carries forward national advertising royalties that are not spent in the fiscal year collected to the following year and records them as a liability on the consolidated balance sheets. At December 31, 2020 and 2019 there were no carryforward royalties included in accrued liabilities. The Company recognizes national advertising expenditures in the consolidated statements of operations as incurred.

Beginning April 1, 2008, franchisees entering the system must contribute 2% of gross sales for brand development. The Company has no obligation to carry forward any unspent brand development royalties for these franchises to the following year. The Company recognizes brand development royalties in its consolidated statements of operations in full as they are accrued, along with brand development expenses.

Revenue Recognition

Revenue is recognized is accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

Franchise Fees, Royalties and Other Related Fees

Franchise agreements have an initial term of 10 years. These agreements also convey multiple extension terms of five years, depending on contract terms if certain conditions are met. The Company provides its franchisees system training, pre-opening assistance, and general assistance in exchange for franchise fees, and royalties and other related fees.

Royalties are accrued based upon the contractual royalty rate, currently 6% of total franchise revenue, as defined in the respective franchise agreements. Royalties are recorded as revenue whenthe related franchise revenue is reported to the Company.

The Company has determined that a portion of the initial franchise services are distinct from the continuing rights and services offered during the term of the franchise agreement and should not be treated as a single performance obligation; therefore, a portion of such fees are recognized upon the opening of the franchise location.

The Company also enters into Area Development Agreements. Under these agreements, a third party (the "Developer") agrees to sell and open a certain number of franchises in the specified area over a period of time stipulated in the contract. The Company records the area development fees as deferred franchise fees when received and allocates the fee for each agreement to each individual franchise. Revenue is recognized over the term of the respective franchise agreement each time a new franchise opens in that area.

Product and Spa Equipment Sales

Sales of spa equipment and products are recognized as revenue, when the items are shipped, collection is probable, and no further significant obligations remain.

Advertising Fees and Related Income

The Company's franchise agreements typically require the franchisee to pay continuing advertising fees each reporting period based on a percentage of franchisee gross sales.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as incurred. Advertising and marketing expense incurred by the Company during 2020, 2019 and 2018 totaled $86,117, $99,524 and $90,966, respectively.

Income Tax

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company includes any estimated interest and penalties on tax related matters in income taxes payable. Valuation allowances are established when necessary to reduce net deferred income tax assets to the amount expected to be realized.The Company records interest related to unrecognized tax benefits in interest expense and penaltiesin operating expenses.

The Company evaluates all significant tax positions as required by accounting principles generally

accepted in the United States of America. As of December 31, 2020 and 2019, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. With few exceptions, the Company is no longer subject to federal and state income tax examinations by tax authorities for years before 2017.

Deferred Franchise Fees

Deferred income consists of franchise location sales. The Company then recognizes these sales into revenue over the respective periods earned.

COVID-19 Pandemic

The COVID-19 outbreak in the United States and globally has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. Therefore, uncertainty remains regarding the ongoing impact of the COVID-19 outbreak upon the Company's financial condition and future results of operations, as well as upon the significant estimates and assumptions that may be utilized in reporting certain assets and liabilities.

Accounting Standards Adopted in 2019

Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) was adopted by the Company, January 1, 2019. This ASU implements a common revenue standard and clarifies the principles used for recognizing revenue. The amendments of the ASU clarify that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitledto in exchange for those goods or services.

The adoption of Topic 606 impacted the Company's accounting for initial fees charged to franchisees. In the past, the Company recognized initial franchise fees when all material services or conditions relating to the sale of the franchise had been substantially performed or satisfied by the Company, which was generally when a new franchise studio opened. In accordance with the new guidance, the Company has determined that some of the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and those costs should be treated as a separate performance obligation. Therefore, the Company recognizes a portion of the initial fees received from the franchisees as revenue over the term of the respective franchise agreement, which is usually 10 years.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842), which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2019, the FASB

issued ASU No. 2019-10 delaying the effective date for non-public companies to fiscal years beginning after December 15, 2020. In response to the COVID-19 pandemic, ASU 2020-05 was issued in June 2020 delaying the effective date for Topic 842 to fiscal years beginning after December 15, 2021. The Company is evaluating the impact the pronouncement may have on the financial statements.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform with the 2020 presentation. Such reclassifications had no effect on previously reported net income.

Subsequent Events

The Company evaluated subsequent events and transactions for potential recognition or disclosure inthe financial statements through June 30, 2021, the date which the financial statements were available to be issued.

Note 2 - Property and Equipment -

Property and Equipment consist of the following as of December 31, 2020 and 2019:

	2020	2019
Land	$ 210,000	$ 285,000
Building and Leasehold Improvements	2,201,315	2,148,036
Spa Equipment	-	398,028
Computer Equipment	210,471	660,959
Furniture, Fixtures, and Equipment	-	188,806
Software	73,873	718,434
	2,695,659	4,399,263
Less: Accumulated Depreciation	(1,219,627)	(2,843,615)
	$ 1,476,032	$ 1,555,648

Substantially all of the Company's building and building improvements are pledged as collateral for various loans of the Company.

Note 3 - Intangible Assets -

Following is a summary of intangible assets at December 31, 2020 and 2019:

	2020	2019
Trademarks	$ 202,387	$ 202,387
Less: Accumulated Amortization	(102,675)	(92,706)
	$ 99,712	$ 109,681

Amortization expense related to intangible assets for each of the years ended December 31, 2020 and 2019 was $9,969.

Note 4 - Note Receivable - Related Party -

In December 2020, the Company advanced $108,607 to a company owned by the majority stockholder. The parties executed a promissory note dated February 10, 2021, with monthly payments of $1,087 for 120 months bearing an interest rate of 3.75%.

The following is a summary of principal maturities of the long-term portion of the note receivable:

2022	$ 9,413
2023	9,772
2024	10,145
2025	10,532
2026 and Thereafter	61,166
	$ 101,028

Note 5 - Investments and Fair Value Disclosures -

The following table presents the Company's fair value hierarchy for investments measured at fair value on a recurring basis as of December 31, 2020 and 2019:

	Fair Value as of December 31, 2020		
	Quoted Market Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
	(Level 1)	(Level 2)	(Level 3)
Equity Securities	$ 561,500	$ -	$ -

	Fair Value as of December 31, 2019		
	Quoted Market Prices in Active Markets	Other Observable Inputs	Unobservable Inputs

	(Level 1)	(Level 2)	(Level 3)
Equity Securities	$ 202,466	$ -	$ -

The fair value measurement accounting literature provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels.

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted pricesfor similar assets in active or inactive markets, and Level 3 inputs are based primarily on management's assumptions about the assumptions market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level within the fair valuehierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value of equity securities are at quoted prices and therefore are

Note 6 - Accrued Liabilities -

Accrued Liabilities consists of the following as of December 31, 2020 and 2019:

	2020	2019
Payroll, Commissions and Payroll Taxes	$ 390,591	$ 100,189
Interest	2,358	-
	$ 392,949	$ 100,189

Note 7 - Long-Term Debt -

The following is a summary of the Company's long-term debt as of December 31, 2020 and 2019:

	2020	2019
Note payable-Company, payable in monthly installments of $5,306, including interest of 1.97%, through March 2027, secured by building, guaranteed by certain Company officers and shareholders.	$ 341,618	$ 376,014

* Note payable-SBA, payable in monthly installments of $5,108, including interest of 5.79%, through June 2027, secured by building and building improvements, guaranteed by certain Company officers and shareholders.	290,956	326,796
* Note payable-SBA, payable in monthly installments of $22,452, including interest of 5.75%, through January 2025, secured by building and building improvements, officer life insurance and guaranteed by a Company officer.	1,014,508	1,226,636
Note payable-Company, payable in monthly installments of $2,570, including interest of 5.00%, through May 2023, with three balloon payments of $81,250 beginning May 2020 and is secured by Company assets and building.	219,760	316,236
Economic Injury Disaster Loan (EIDL) payable to the U.S. Small Business Administration (SBA) with interest accruing at 3.75% payable in monthly installments of $731 beginning September 2022, maturing in 2050, secured by the assets of the Company.	150,000	-
	2,016,842	2,245,682
Less: Current Maturities of Long-Term Debt	(429,835)	(390,661)
Long-Term Debt, Net of Current Portion	$ 1,587,007	$ 1,855,021

*Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) the U.S. Small Business Administration (SBA) paid principal, interest and associated fees for SBA loans made prior to March 27, 2020 for a six-month period. These payments totaled $123,535 and are included in other income (expense) in these consolidated financial statements.

The following is a summary of principal maturities of long-term debt:

2022	$ 454,560
2023	381,232
2024	382,896
2025	117,779
2026 and Thereafter	250,540
	$ 1,587,007

Note 8 - Line of Credit -

During 2016, the Company entered into a $250,000 revolving line of credit with a financial institution. The credit line was secured by the savings account of the Company. Bank advances on the line of credit were payable on demand and

carried an interest rate of 3.75%. As of December 31,2020 and 2019, the balance on the line of credit was $-0- and $75,108, respectively. The line of credit expired and was not renewed.

Note 9 - Investment in HOTWORX Franchising, LLC -

During 2017, the Company became a 40% member in HOTWORX Franchising, LLC which was formed to offer and sell franchises for the operation of 24-hour studios that offer hot exercise services and fitness products. The Company uses the equity method to account for its financial interest in the HOTWORX Franchising, LLC, which include advances received.

Income and losses for the Company's investment in HOTWORX, LLC in 2020, 2019 and 2018 were $266,570, $169,523 and ($233,157), respectively. These amounts are included in other income (expense) in these consolidated financial statements.

The Company's investment under the equity method at December 31, 2020 and 2019 was $408,734 and $169,653 respectively.

Note 10 - Income Taxes -

Significant components of the Company's deferred income tax liabilities and assets as of December 31, 2020 and 2019 are as follows:

	2020	2019
Deferred Income Tax Assets:		
Bad Debt Allowance	$ -	$ 72,570
Employee Tax Credits Carryforward	-	56,394
Depreciation Expense	42,830	-
Total Deferred Income Tax Assets	42,830	128,964
Deferred Income Tax Liabilities:		
Equity Securities Net Unrealized Gains	17,584	-
Accelerated Depreciation	-	5,928
Total Deferred Income Tax Liabilities	17,584	5,928
Valuation Allowance	-	(57,624)
Net Deferred Income Tax Assets	$ 25,246	$ 65,412

Significant components of the provision for income taxes for the years ended December 31,

2020and 2019 is as follows:

	2020	2019
Current Tax Expense	$ 254,517	$ 29,638
Deferred Tax (Benefit) Expense	40,165	38,735
	$ 294,682	$ 68,373

The reconciliation of income taxes computed at the federal statutory tax rate to income tax(benefit)provision for the years ended December 31, 2020 and 2019 is as follows:

Tax at Federal Statutory Rate	$ 203,899	$ 122,097
Non-deductible Expenses	40,165	14,095
State Income Taxes and Credits	50,618	6,188
Federal Income Tax Credits	-	(100,111)
Valuation Allowance	-	26,104
	$ 294,682	$ 68,373

The valuation allowance was established to reduce the deferred tax asset to the amount that will more likely than not be realized. This reduction is necessary due to uncertainty of the Company's ability to utilize all of the tax credit carryforwards before they expire.

Note 11 - Employee Benefit Plan -

The Company has a defined contribution employee benefit plan ("the Plan"). The Plan is available to employees who have completed at least three months of service and are at least 18 years old. The employer's contribution vests 100% after five years. The Company suspended the match on December 1, 2015. For 2020, 2019 and 2018, the Company made no matching contributions to the Plan.

Note 12 - Related Party Transactions -

The Company's CEO and majority stockholder owns a franchise location that does not payroyalties.

Certain officers and stockholders of the Company have guaranteed a portion of the Company's indebtedness as described in Note 7.

In December 2020, the Company advanced $108,607 to a company owned by the majority stockholder. The parties executed a promissory note dated February 10, 2021 with monthly payments of $1,087 for 120 months bearing an interest rate of 3.75%. (See Note 5)

On March 17, 2015, the Company entered into a promissory note with the

Company's CEO and majority stockholder for $63,760. During 2019, the terms of the note were amended. The note has a 72-month term, bearing interest at 2.50%, with interest only payments for the first 24 months. Monthly principle and interest payments for $1,132 began April 2020. As of December 31, 2020 and 2019, the balance on the note was $-0- and $5,143, respectively and is included in notes receivable on the accompanying consolidated balance sheets

On March 17, 2015, the Company entered into a promissory note with the Company's CEO and majority stockholder for $9,134. During 2019, the terms of the note were amended. The note has a 24-month term, bearing interest at 2.50%, with monthly payment of $391 beginning June 2020. As of December 31, 2020 and 2019, the balance on the note was $-0- and $9,134, respectively and is included in notes receivable on the accompanying consolidated balance sheets.

During 2017, the Company became a 40% member in HOTWORX Franchising, LLC. This limitedliability company is partially owned by two officers of the Company (See Note 5).

The Company advances money to and from an affiliate under common ownership, for the purpose of funding the operations of those entities or purchasing equipment or other related studio products. At December 31, 2020 and 2019, $480,991 and $1,140,968, respectively, was due to the affiliates and is reflected in the accompanying balance sheets.

Expenses allocated to affiliates under common ownership for payroll and commissions related to the shared employees totaled $2,306,204, $655,101 and $435,722 for the years ended December 31, 2020, 2019 and 2018, respectively.

Note 13 - Commitments and Contingencies -

PPP Loan Forgiveness

See Note 15 to these consolidated financial statements for the six year audit year provisions relatedto the PPP Loan Forgiveness.

Purchase Agreements

In April 2015, the Company amended its purchase agreement ("Purchase Agreement") with its primary vendor ("Vendor') of UV tanning supplies that had been in existence since 2002. The Purchase Agreement provides exclusivity to the Vendor for its sales of UV tanning products and other tanning related supplies and accessories to all Planet Beach owned and operated spas. The exclusivity excludes sunless spray-on solutions, sunless lotions, skin care lotions and Planet Beach branded products, including Planet Beach private labeled UV products.

Litigation

The Company is subject to various claims arising in the normal course of its business. Management believes that the ultimate resolution of any such matters will not have a significant effect on the Company's financial position or results of operations.

Note 14 - Other Information -

The Company has master franchisor agreements in countries outside of the United States. The operating revenues and net income (loss) from those countries combined are in the table below. There are no long-term assets held in countries outside of the U.S.

	December 31, 2020		December 31, 2019		December 31, 2018	
	United States	Rest of World	United States	Rest of World	United States	Rest of World
Operating Revenue	$ 11,502,575	$ 8,160	$ 10,021,730	$ 13,826	$ 4,739,988	$ 90,120
Net Income	$ 1,316,864	$ 8,160	$ 499,213	$ 13,826	$ 93,220	$ 74,176

Note 15 - PPP Loan Forgiveness -

In April 2020, the Company qualified for and received loan proceeds in the principal amount of $383,000 pursuant to the Paycheck Protection Program (PPP), a program implemented by the U. S.Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The PPP loan was unsecured and guaranteed by the SBA. The principal amountof the PPP loan is subject to forgiveness under the PPP upon the Company's request to the extent that the PPP loan proceeds were used to pay expenses permitted by the PPP, including payroll costs, covered rent and mortgage obligations, and covered utility payments. The Company has applied for forgiveness of the PPP loan with respect to these covered expenses. As of December 31, 2020, the Company believes it has substantially met the requirements for the PPP loan forgiveness. Therefore, in accordance with generally accepted accounting principles, the Company has recognized PPP loan forgiveness income of $383,000 as it considered that the measurable performance or other barrier and right of return of the PPP loan no longer existed. To the extent that all or part of the PPP loan is not forgiven, the Company will be required to repayany unforgiven principal amount of the PPP loan and interest at a rate of 1.0%. PPP loans are subject to audit for six years from the date of forgiveness. Department of Treasury guidance states that loans over $2 million will be fully audited and loans under $2 million are subject to random audits. If audited, the SBA could redetermine the amount of forgiveness.

Planet Beach Franchising Corporation
Consolidated Income Statement (UNAUDITED)
YTD May 31, 2021

		Total
Revenues:		
Royalties and other related fees		420,586
Franchise Fees		25,208
Sales of spa equipment and products		6,106,546
Vendor incentives		79,407
Total Revenue	$	6,631,747
Costs and expenses:		
Costs of goods sold		3,069,566
Operating expenses		1,605,851
Salaries and Bonuses		887,647
Commissions		96,628
Total Costs and Expenses	$	5,659,692
Income from Operations	$	972,054
Other Income/Expense		
Interest and other income		1,338
Interest Expense		(65,140)
Income (Loss) from investment in LLC		363,301
Other Income/Expense Total	$	299,500
Income before provision (benefit) for income taxes	$	1,271,554

Planet Beach Franchising Corporation
Consolidated Balance Sheet (UNAUDITED)
As of, May 31, 2021

ASSETS

Current Assets		**5/31/21**
Cash and cash equivalents		1,089,071
Accounts receivable, net		787,901
Inventory		237,011
Notes Receivable		7,579
Prepaid Expenses and Other Assets		28,791
Total Current Assets		**2,150,353**
Long Term Assets		
Property and equipment, net		1,442,858
Equity Securities		1,151,350
Intangible assets, net		95,623
Notes receivable - related parties		101,028
Deferred Income Tax Asset		25,247
Total Long-Term Assets		**2,816,106**
Total Assets	**$**	**4,966,459**

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current Liabilities		**5/31/21**
Current maturities of notes payable		428,317
Accounts payable		1,261,087
Accrued liabilities		401,711
Due to Affiliates		480,991
Deferred income tax liability		254,517
Total current liabilities		**2,826,623**
Notes payable		1,491,288
Deferred revenue		143,009
Total Liabilities	**$**	**4,460,920**
Stockholders' Equity (Deficit)		
Common Stock, $0.0001 par value; Shares authorized: 5,000,000; Shares Issued 3,843.160		
Shares Outstanding: 3,720,474		385
Additional Paid-in-capital		679,427
Retained Earnings		(174,273)
Total Stockholders' equity (Deficit)		**505,539**
Total Liabilities and Stockholders' Equity (Deficit)	**$**	**4,966,459**

EXHIBIT F

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
SINGLE UNIT FRANCHISE AGREEMENT

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE AGREEMENT DATA SHEET

1. Name of Franchisee: _____ SS No. _____

Spouse (if not franchisee): _____ SS No. _____

Spouse email address: _____

2.Name of Franchisee: _____ SS No. _____

Spouse (if not franchisee): _____ SS No. _____

Spouse email address: _____

3.Name of Franchisee: _____ SS No. _____

Spouse (if not franchisee): _____ SS No. _____

Spouse email address: _____

4.Franchisee's Address: _____

_____

5.Licensing Agent: _____

6.Franchisee's Territory: _____

7.Franchisee's Telephone Number: _____

8.Franchisee's Cell Number: _____

9.Franchisee's Email Address: _____

10.Initial Franchise Fee: _____

11.Amount Paid: _____

12.Effective Date: _____

13.Driver's License Number: _____

Agreement Exceptions:

_____

_____

_____

The information contained in the Data Sheet is incorporated by reference into the Planet Beach® Franchise Corporation Single Unit Franchise Agreement.

PLANET BEACH® FRANCHISINGCORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

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Exhibits to Planet Beach® Franchising Corporation's Single Unit Franchise Agreement

Exhibit 1 -- Authorized Products and Services
Exhibit 2 -- Approved Location and Territory Addendum
Exhibit 3 -- Guaranty Agreement and Acknowledgment by Guarantor
Exhibit 4 -- Rider to Lease
Exhibit 5 -- Software License Agreement
Exhibit 6 -- Confidentiality and Non-Competition Agreement
Exhibit 7 -- Conditional Assignment of Telephone Numbers, Email Addresses, Social Media and Other URLs
Exhibit 8 -- Statement of Prospective Franchisee

PLANET BEACH® FRANCHISING CORPORATION

SINGLE UNIT FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made as of the Effective Date set forth on the Data Sheet of this Agreement between Planet Beach® Franchising Corporation, a Delaware corporation with an address at 5145 Taravella Road, Marrero, Louisiana 70072 ("Franchisor" or "PBFC"), and the Franchisee identified in the Data Sheet ("Franchisee" or "You"). The information contained in the Data Sheet is incorporated into this Agreement.

BACKGROUND

A. Through the expenditure of money, time and effort, PBFC has developed a distinct and proprietary business format for the development and operation of spas (the "System"), the distinguishing characteristics of which include proprietary development and operating procedures and standards and specifications for products and services, as amended from time to time in PBFC's sole discretion.

B. The System is identified by proprietary trademarks, service marks, trade dress, logos and other indicia of origin including, without limitation, the trade name and service mark "Planet Beach®" (the "Proprietary Marks").

C. PBFC offers franchises to qualified individuals for the right to use the System and Proprietary Marks at a single approved location (the "Spa").

D. You have applied to PBFC for the right to operate a Spa pursuant to the terms of this Agreement, and PBFC has approved your application in reliance upon all of the representations made in your application, including those concerning your financial resources, your business experience and interests, and the manner in which the franchise will be owned and operated.

E. You acknowledge that you have read this Agreement and PBFC's Franchise Disclosure Document, and that you have been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions in this Agreement are necessary to maintain PBFC's and its affiliates' high standards of quality and service, and the uniformity of those standards at all Planet Beach® Spa locations. Franchisor's affiliates include HOTWORX® Franchising, LLC, HOT Brands, LLC, SpaSynergy, LLC, and HWX, LLC (hereinafter "Affiliates").

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to the Agreement, intending to be legally bound, mutually agree as follows:

1. FRANCHISE GRANT

PBFC grants to you, and you hereby accept, a nonexclusive franchise to establish and operate one (1) Spa pursuant to the terms of this Agreement within a geographic area mutually agreed to by the parties. This Agreement does not give You the right to establish additional Spas.

2. LOCATION AND SITE CONSTRUCTION

2.1. Approved Location. Once you have completed site selection as set forth in Section 2.2 below, You shall operate your Spa only from the Approved Location identified in the Approved Location and Territory Addendum, attached as Exhibit 2 of the Agreement ("Exhibit 2"). A map will be attached to the Approved Location and Territory Addendum, which will become part of Exhibit 2, and this Agreement upon execution of a location lease for your Spa site.

2.2. Site Selection. Your Approved Location will be accomplished through the site selection process and in accordance with Franchisor's Location Selection Policy. You must obtain a site for the Spa within one hundred twenty (120) days from the Effective Date set forth on the Data Sheet ("Site Selection Period") either by (i) entering into a lease or sublease with the owner of a site or the prime tenant having possession of a site which is mutually acceptable to You and PBFC; or (ii) purchasing real estate which is mutually acceptable to You and PBFC. In the event that Franchisee purchases real estate, Franchisee must also enter into a lease for the Approved location that is mutually acceptable to you and Franchisor.

2.3. Lease. You must submit a copy of your proposed lease for PBFC's approval prior to execution. You must deliver an executed copy of the lease and lease rider to PBFC within fifteen (15) days after the execution of the lease. PBFC's acceptance of the lease terms does not constitute an expression of PBFC's opinion regarding the terms of the lease or the viability of the location.

2.4. Relocation. PBFC will permit You to relocate your Spa to a new approved location within the Protected Territory as defined in Section 3.1, at your expense, if you lose the right to possess the premises through no fault of your own, or if the Spa is destroyed by vandalism, fire or act of God. PBFC will approve the new site if it

meets PBFC's site selection criteria. You have no right to relocate the Spa without PBFC's prior written consent.

3. TERRITORY

3.1. Territory. We grant a franchise based on our expectation that You will continuously and diligently follow all System requirements. Subject to the exclusions below, PBFC grants to You the right to establish and carry on a business within a protected territory that consists of a radius or boundary surrounding your Spa's Approved Location (the "Protected Territory"). Your Protected Territory generally will be a circle, the center of which will be your Approved Location as identified by your signed lease or legal property description contained within your real estate purchase agreement. The actual size and dimensions of your Territory may be less than stated below and will depend upon the specific variables of your site, including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached to the Approved Location and Territory Addendum, which will become part of Exhibit 2, and this Agreement upon execution of a location lease or purchase agreement for your Spa site.

If a radius is used to determine your Protected Territory, then the radius of the circle will be in PBFC's sole discretion and based on where the Approved Location is located and will be up to either:

1. A radius ranging from one third of a mile (.3 miles) up to one and nine tenths of a mile (1.9 miles) if your Spa is located in a densely populated area which may include suburbs; or

2. A two-mile (2.0 miles) radius if your Spa is located in any other area.

Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, highway, interstate, or other natural or manmade boundary; and (ii) regional shopping malls, professional or collegiate athletic facilities, residences, resorts, hotels, train stations, bus stations and airports. Franchisor reserves the right to modify Your Territory should You breach the Franchise Agreement.

3.2. Modification of Protected Territory. During the term of this Agreement, so long as you are in compliance with the terms and conditions of this Agreement, PBFC will not establish or locate or grant any third party the right to establish or locate, another Planet Beach® Spa location using the System and Proprietary Marks within the Protected Territory identified in Exhibit 2 to this Agreement except as set forth in Sections 3.3, 3.4 and 3.5 below. If you are in breach of this Agreement, or are

otherwise in default, PBFC may reduce, eliminate or otherwise modify your rights in the Protected Territory, including any right of first refusal under the then-applicable policy regarding site selection. We do not make any representation or assurance that You can or will achieve any performance minimums. This Agreement does not grant You any other territorial rights.

3.3. Reservation of Rights. PBFC will not establish (and will not authorize any other party in our System to establish) a Spa within your Protected Territory subject to the following exclusions:

a. PBFC may conduct any business in a professional or collegiate athletic facilities, residences, resorts or airport in which your Spa is not located;

b. PBFC may use the Proprietary Marks in connection with offering ancillary or dissimilar products and services at any location inside or outside your Protected Territory;

c. PBFC may conduct and transact business with customers, and/or companies operating in your Protected Territory by means of the internet as well as other electronic media that are known now or developed in the future, toll-free telephone numbers, and any other manner we determine; and

d. PBFC may engage in any other activities not expressly prohibited by this Agreement.

e. PBFC and its affiliates may sell equipment or products within your Protected Territory, including but not limited to for residential purposes.

f. PBFC's affiliates may establish, locate, grant, or sell to any third party the right to establish or locate a HOTWORX® studio within your Protected Territory.

g. PBFC may own and operate Spas at any location(s) outside your Protected Territory under the same or different marks, and to license others the right to own and operate Spas at any location(s) outside your Protected Territory under the same or different marks.

h. PBFC may acquire other businesses within your Protected Territory that compete with the Spa;

i. PBFC may convert any existing tanning and/or spa establishment to a business which uses the Planet Beach® System whether that business be a Franchised Business or owned and/or operated by PBFC or a PBFC affiliate;

3.4. Additional Exclusions. Your grant of a franchise does not include (i) exclusive marketing rights; (ii) any right to offer any product or service via e-commerce; (iii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iv) any right to distribute, market, or implement Planet Beach®'s products and services in any channel of distribution not specifically identified in this Agreement. Such channels of distribution shall include, but are not limited to, sales of any equipment or products offered by you under the Proprietary Marks at or through health or fitness clubs, beauty salons, spas, stores, boutiques, hotels, resorts, lotions and other products through fixed stores, the Internet and mail order sales or other direct marketing. PBFC is not liable for aftermarket sales of equipment or product. We are not required to pay You any compensation for soliciting or accepting orders inside of your Protected Territory.

3.5 Franchisor reserves the right to sell and distribute its products and equipment within your Protected Territory.

3.6 Franchisor accepts no liability for any aftermarket HOTWORX® sauna sales that may occur, therefore you accept the risk that competing, unauthorized HOTWORX® saunas may compete in an unauthorized location inside or outside of your Protected Territory. Franchisor will make a reasonable effort, upon notice, to require rogue operators to de-brand the sauna and to cease any unauthorized use. In the event Franchisor is unsuccessful in its efforts to have such sauna de-branded, Franchisee agrees to hold Franchisor harmless. Franchisor will not allow unauthorized HOTWORX® sauna owners to have access to any proprietary software including the VI Software and The Burn Off App.

4. TERM AND RENEWAL

4.1. Term. The initial term of this franchise shall begin on the Effective Date set forth on the Data Sheet by PBFC and shall expire at midnight on the tenth (10th) anniversary of the Effective Date.

4.1.1. Obligation of Franchisor: In the event that any of the conditions to renewal set forth in the Operations Manual have not been met, Franchisor shall have no obligation to renew this Agreement, it being understood that any such renewal right shall be deemed to have been waived by Franchisee, void, and of no force and effect.

4.1.2. Operations Beyond Term: If Franchisee continues to operate as a Franchisee after the term of this Agreement without exercising its option to renew, Franchisee shall be deemed to be operating on a month-to-month basis (terminable by either party on thirty (30) days' notice) and will be bound by the terms and conditions of franchise agreement then being offered to new

franchisees which may have economic and other material terms different from the terms of this Agreement.

4.2. Renewal. You have the right to renew this Agreement for perpetual consecutive additional 5-year terms, if you meet the following conditions:

4.2.1. You are in compliance with all the terms and conditions of this Agreement at the time of renewal and have substantially complied with the terms of this Agreement and with the operating standards and criteria established by PBFC throughout the initial term and any renewal term of this Agreement;

4.2.2. You have satisfied all monetary obligations owed to PBFC and its Affiliates;

4.2.3. You are in compliance with all other agreements between You and PBFC and/or its Affiliates;

4.2.4. You have provided PBFC with written notice of your intention to renew the Franchise Agreement at least ninety (90) days but not more than one hundred eighty (180) days prior to expiration of the then-current term;

4.2.5. You have the right to remain in possession of the Spa premises, or You have secured other premises acceptable to PBFC for the renewal term;

4.2.6. At PBFC's request, You effectuate, at your expense, any changes in services, facility, items offered or business system so as to reflect Planet Beach®'s then-current image including interior and exterior design or offerings of Planet Beach®;

4.2.7. You execute PBFC's then-current form of franchise agreement, which may vary materially from the terms of this Agreement and may include, without limitation, higher royalty and marketing fees. The renewal franchise agreement, when executed, will supersede this Agreement in all respects; and

4.2.8. You sign a general release in the form prescribed by PBFC, in favor of PBFC and its Affiliates and their respective officers, directors, agents, and employees, for all claims arising out of or related to this Agreement or any related agreements with PBFC or its Affiliates.

5. CONFIDENTIAL OPERATIONS MANUAL

You must develop your Spa location and operate your Spa in accordance with PBFC's confidential Operations Manual (the "Operations Manual"), which contains policies, procedures, standards, specifications and methods of operating a Planet Beach® automated spa, including but not limited to the Location Selection Policy and sauna safety protocols.

PBFC has the right to amend and supplement the Operations Manual from time to time in its discretion. You will make, at your sole expense, changes necessary to conform to the Operations Manual, including, but not limited to, upgrading and remodeling the Spa, including leasehold improvements, furniture, fixtures, equipment, signs, and software. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill PBFC has developed and the value of the franchise. You agree to make repairs and updates and to pay all reasonable required costs within reasonable time periods that may be established. You will adhere to quality control standards prescribed in the Operations Manual or elsewhere with respect to the character or quality of the products sold and services performed in association with the Proprietary Marks. The Operations Manual, as amended from time to time, is intended to further the purposes of this Agreement and is specifically incorporated into this Agreement. The contents of the Operations Manual are protected by the Copyright law of the United States and may not be disclosed to any person or entity not affiliated with PBFC and may not be duplicated, copied, reproduced or altered in any way.

6. CONSTRUCTION OF SPA

6.1 After executing a lease for your Approved Location, You will construct and equip your Spa to the specifications required by PBFC and then open for business. You will remain responsible for all costs of and connected with design and construction, including, but not limited to construction drawings, architectural and/or engineering drawings, including stamps and seals, fees associated with obtaining building permits, leasehold improvements, equipment, furniture fixtures and signs, and You must bear the cost and responsibility for compliance with state or local ordinances, rules and regulations, including those related to zoning.

6.2 You will be required to make annual, minor improvements identified by the Franchisor to your spa at your sole expense. These expenses will cost a minimum of $2,500 but no more than $5,000 and may include redecorating, refurbishment, replacement of signs, fixtures or materials, and upgrading of equipment. The Franchisor may require major improvements to your spa only after five (5) years of the Effective Date of this Agreement.

7. TRAINING

7.1 Initial Training Program. Controlling franchisee(s) and any Spa Director must attend and complete all required training prior to opening your Spa in order to allow for properly timed pre-sale, including but not limited to Franchisor providing You with three (3) days of on-site training at Franchisee's expense at either your location or an approved corporate location per Franchisor's discretion. Franchisee and Spa Director must remain engaged and participate during these full three (3) training

days. Failure to meet requirements may result in the requirement for additional onsite days of training at Franchisee's expense. In this event, Franchisee is responsible for all related travel, lodging and other costs. Required training programs are outlined in Sections 7.1 – 7.6 below and as more specifically defined in the Operations Manual. Should additional training be requested, $200 a day will be charged plus travel and lodging expenses. Each of your additional or replacement Spa Directors are required to successfully complete all required Spa Director training programs to PBFC's satisfaction immediately upon assuming management responsibilities. PBFC or your respective Regional Developer or Spa Performance Consultant will provide assistance using online or video technology in connection with the opening of your first Spa only. In the event that you acquire an existing location pursuant to a sale or transfer, you will be required to undergo, at a minimum, three days of training with a Spa Performance Consultant at your Spa for up to five days at an approved location, at Franchisor's sole discretion. In either event, you will be responsible for all expenses, including $200 per day for consultant plus travel and lodging.

7.2 Planet Beach® University. Each franchisee must attend and complete Planet Beach University. Each Spa Director must attend and complete Franchisee and Manager School to PBFC's satisfaction immediately upon assuming management responsibilities. Each Franchisee and Spa Director must complete such Planet Beach University annually.

7.3 Operator Certification. Each franchisee, Spa Director, and Spa employee who works with customers as an operator in any franchise location that offers UV tanning services must successfully complete a nationally recognized indoor tanning operator certification prior to working in a location, at your expense. PBFC accepts those national training certification programs that are recognized by the Food and Drug Administration or by an individually regulated state, such as Smart Tan or the National Tanning Training Institute ("NTTI"). In addition, any franchisee or employee operating the airbrush tanning service must successfully complete the recognized Airbrush Operators Certification Prior to providing this service. New or replacement Spa Director(s) and Consultants must obtain Operator's Certification within 30 days of their employment by Franchisee.

7.4 Training Programs and Seminars. PBFC has the right, but is not obligated, to provide continuing education training programs or seminars for previously-trained franchisees and Spa Directors, assistant Spa Directors and consultants and to require you to attend and successfully complete these programs or seminars. PBFC also has the right, but is not obligated, to provide on-site training at the expense of the franchisee. Should Franchisee request additional on-site consultation, Franchisee agrees to pay all travel related expenses and a $200.00 per day consultant fee. You are solely responsible for your and your employees' tuition and all training-related

expenses including, without limitation, travel expenses, living and dining accommodations, and employee salaries.

7.5 Secret Shopper/Inspection Report. You are required to pay the fee(s) associated with secret shopper inspections. You are also responsible for attending a periodic review of the Secret Shopper/Inspection report with the franchise consultant via video technology.

7.6 Attendance at Annual Conventions. You must attend all Planet Beach® Annual Conventions unless exigent circumstances exist and you receive PBFC's prior written approval not to attend yourself. You will also be required to send a Spa Director from each of your locations. All costs related to the Annual Convention, including but not limited to, travel expenses, lodging and entertainment, shall be your sole responsibility. If you do not request and obtain prior written approval for absence, then PBFC will automatically draft the convention registration fee for two attendees fourteen (14) days prior to the convention. This will automatically register you and your Spa Director.

8 OPENING

8.1 Opening for Business. You must open the Spa business within 275 days of the effective date of this Agreement. If you cannot open within 275 days due to vandalism, fire, act of God or other circumstances beyond your control, you must request an extension from PBFC immediately, which extension will not be unreasonably withheld. It is your sole responsibility to ensure that your Spa opens within 275 days of the effective date of this Agreement. If you do not open within 275 days of the effective date of this Agreement, Franchisor may at its discretion grant an extension.

8.2 Pre-Sale Marketing. During the development of your Spa and through the initial opening of your Spa, you must expend at least $5,000 - $10,000 on printing, advertising and marketing within your Protected Territory. This investment on printing and marketing is to include an investment in local advertising through social media at a minimum of $2,000 per month during pre-sale. Within 60 days of the spa's opening, you shall supply Franchisor with written evidence (by means of cancelled checks, paid invoices, copies of advertisements) of the purchase and publication of such opening advertising and marketing. You shall make such expenditure in accordance with PBFC's written requirements and specifications. You have the right, but are not required, to spend additional sums with respect to opening marketing.

8.3 Opening Approval Process. You may not open the Spa for business until you have received written consent from PBFC. Franchisor may withhold written consent if Franchisee fails to satisfy all pre-opening checklist requirements. You will be required to schedule a live video walkthrough with a Franchisor executive prior

to the opening of the Spa. The walkthrough must include clear visual inside and outside including exterior signage in order to determine that the Spa is in compliance with required and authorized trade dress. Franchisor may also request digital photos of the Spa in order to approve and provide written consent for opening Spa.

8.4 Initial Inventory. Franchisor requires you to offer and sell as part of your initial inventory all goods that Franchisor has approved.

9 YOUR OBLIGATIONS

9.1 Operations. You must operate your Spa in accordance with the Operations Manual, which contains policies, procedures, standards, specifications and methods of operating a Planet Beach® Spa. Policies include but are not limited to:

9.1.1. The daily hours of operation.

9.1.2. Planet Beach®'s Membership Policy, Reciprocation Policy, etc. You must honor all memberships that are assigned by the Franchisor.

9.1.3. You are responsible for addressing any and all customer service issues that arise from and/or at Your Spa. Franchisee's failure to timely resolve customer service issues after receiving notice such that Franchisor finds it necessary to intervene will result in a fine of up to $1,000.00 per incident.

9.1.4. You are prohibited from retaining or utilizing any third-party collections agency.

9.1.5. You shall refrain from engaging in any marketing, conduct, or communications that, if publicized, may adversely affect the Franchise system, its intellectual property, brand, goodwill and/or Franchisor's interest therein as determined by Franchisor in its sole discretion.

9.2 Compliance with Applicable Laws. You shall operate your Spa in strict compliance with all applicable laws, regulations and ordinances including, without limitations, laws and regulations applicable to or affecting health and safety, registering your Spa with the appropriate authority where and when applicable, taxation issues, membership agreements, and employee contracts. You must obtain and maintain all permits, licenses, and registrations required for the lawful operation of your Spa and comply with all health and safety codes. If you are a corporation, partnership or limited liability company, then the name of your entity shall not include any portion of any of the Proprietary Marks; there should be no confusion and there must be complete distinction from Planet Beach® or PBFC and its affiliates' Proprietary Marks provided, however, You shall register for fictitious name usage in the jurisdiction in which the Spa is located and promptly

provide Planet Beach® a copy of the registration. PBFC is neither responsible nor liable for researching, knowing, acting on, and/or advising you and/or anyone on any state, city, county, parish, and/or local laws that will apply to the Spa's operations in that specific area. PBFC cannot provide you with any advice, legal or otherwise, on local issues. You must provide PBFC with copies of all permits, licenses and registrations within thirty (30) days of opening your Spa. You must also provide Franchisor with applicable state and local taxes, including but not limited to applicable sales and use taxes, for input into the required POS systems. You have a continuing obligation to verify that all applicable taxes are charged.

9.3 **Authorized Products and Services and Approved Suppliers. You shall not conduct any business or sell any products at the Spa other than the business and products approved by PBFC. PBFC has the right to require you to purchase products from designated or approved suppliers as well as to enter into service agreements with approved vendors. A description of currently authorized products and services is attached as Exhibit 1 to this Agreement (the "Authorized Products and Services"). PBFC has the right to add, eliminate, modify and substitute any of the Authorized Products and Services or the designated suppliers in its sole discretion. If you wish to offer any product or service that PBFC has not authorized or to acquire items or services from an unapproved supplier, you must request PBFC's approval in writing and provide PBFC all information it may reasonably need to evaluate the proposed product, service or supplier. PBFC will make a good faith effort to notify you of its approval within thirty (30) days of receiving such information. PBFC's failure to approve a product, service or supplier within this thirty (30) day period will constitute disapproval of the proposed product, service or supplier. If PBFC approves your request to offer a new product or service or to acquire items from a new supplier, such approval will be only for the specific product, service or supplier for which approval was granted. Despite the existence of this approval process, PBFC reserves the right to be the only approved supplier of a product or service. In that situation, you will be required to purchase the product or service from PBFC and no one else. The price you will pay for the product or service will be the price then in effect, and PBFC may make a profit on the sale of the product or service. YOU MAY NOT INSTALL ANY UNAUTHORIZED EQUIPMENT AT ANY TIME. YOU MAY NOT USE UNAUTHORIZED VIDEOS FOR ANY PURPOSE INSIDE SPA OR HOTWORX® SAUNA AT ANY TIME.**

9.4 Computer Software and Hardware. You shall purchase and use any and all hardware, including but not limited to the computer(s) itself ("Hardware") and computer software programs ("Software") which PBFC designates for use for the System. You must also establish a high-speed internet connection prior to the opening of your Spa. The required computer(s) must be able to run the following software: a web browser, software capable of creating and editing Microsoft Word and Excel documents, a PDF reader, anti-virus, and Java. You are responsible for

obtaining and maintaining onsite cabling systems and switches, routers, uninterrupted power supplies, and wireless access points. The POS/Spa Management Software is provided to you by a third-party vendor. The monthly fee shall be paid directly to that vendor. You agree to update or upgrade the Hardware and/or Software as PBFC deems necessary from time to time but not more than three (3) times per calendar year. In addition, PBFC has the right to require you to enter into a separate maintenance agreement at your sole expense for such Hardware and/or Software in the form PBFC prescribes. You acknowledge and agree that PBFC may deny you access to the Software if you fail to meet your obligations under this Agreement or the Operations Manual.

9.5 Collection of Data. You shall collect and maintain such data relating to the business as PBFC may require from time to time, including but not limited to, the names, addresses and purchase history of all customers. You shall provide such data to PBFC in the form PBFC specifies. Any such data shall be PBFC's sole property and shall not be disclosed or distributed to any person or entity for any reason. However, You have a license to use any such data solely for internal marketing and accounting purposes in accordance with all applicable laws and regulations.

9.6 Debts and Obligations. You shall promptly pay all the debts and obligations relating to the operation of the Spa and shall not fail to pay any debts to third parties that may result in claims of liability to PBFC.

9.7 Required Inventory and Services: PBFC requires you to offer and sell certain of those goods or services that PBFC has approved. PBFC requires you to offer and sell as part of your initial inventory certain goods based on approved services that You offer. At PBFC's discretion, you may be required to continue to offer and sell certain or all goods that PBFC has approved.

PBFC RESERVES THE RIGHT TO WITHHOLD FROM YOU ANY PRODUCTS, SERVICES, MAINTENANCE, INFORMATION, ADVICE, CONSULTATION AND TRAINING, TO DIRECT SUPPLIERS, NOT TO OFFER SYSTEM DISCOUNTS, TO DELETE YOUR SPA FROM THE PLANET BEACH® WEBSITE, AND TO DENY YOU ACCESS TO PBFC'S COMPUTER SYSTEM IF YOU ARE NOT IN COMPLIANCE WITH THE TERMS OF THIS AGREEMENT OR THE OPERATIONS MANUAL.

10 INITIAL AND CONTINUING FEES

10.1 Initial Franchise Fee. In consideration of the rights granted under this Agreement, you have paid to PBFC an initial franchise fee ("Initial Franchise Fee") in the amount reflected on the Data Sheet. The initial franchise fee is deemed fully earned upon payment and is non-refundable.

10.2 Royalty Fee. During the term of this Agreement, you will pay PBFC a monthly Royalty Fee ("Royalty Fee") in an amount of seven hundred and fifty dollars ($750.00) on the fifth (5th) of every month for the preceding month. Payment will be made through auto-draft system. Non-compliant Franchisees are subject to non-compliance fees, including but not limited to, a fee of one hundred dollars ($100.00) per week when the royalty fees are late and until royalty payments are made current, subject to interest on any overdue amount at eighteen percent (18%) annum of the maximum rate permitted by state law, whichever is less.

10.3 Technology Fee. During the term of this Agreement, you will pay to PBFC a monthly Technology Fee in an amount to be set by PBFC, not to exceed $100 per month or a lump sum of $1,200 per year. If monthly or lump sum, the Technology Fee will commence the month following notice.

10.4 POS Software Fee. During the term of this Agreement, you will pay to Franchisor and/or its designated vendor a monthly POS Software Fee of $129. Fee will commence upon installation of software for pre-sale. Thereafter, payment will be due the 5th of every month for services rendered during the previous month.

10.5 Product Testing Fee. During the term of this Agreement, you may be required to pay a Product Testing fee to PBFC if you seek approval of new products or services.

10.6 Credit Card Processing Fee. You shall pay to Franchisor a 3% credit card processing fee for any payments made by you to Franchisor and/or any purchases made by you from Franchisor.

10.7 Virtual Instructor Software Fee. During the term of this Agreement, you will pay the Franchisor a monthly virtual instructor software fee of $10.00 per sauna. The software fee will commence the month that begins immediately after the month that your Spa opens. Thereafter, payment will be due the 5th of every month for services rendered during the previous month.

10.8 Secret Shop Inspections. During the term of this Agreement, you will pay a fee of $100.00 per inspection. This fee will be due the month after the inspection occurs.

10.9 Payment Procedures. You must make all payments to PBFC through the AUTODRAFT system. Unless otherwise stated, all payments are due on the 1st and deemed late on 5th of every month for the preceding month. In the event that any payments are due on a national holiday, payment will be due on the first business day following such holiday. A late fee of $100 will be assessed for each week that payment is delinquent. An insufficient funds fee of $30 will be assessed for any AUTODRAFT payment rejected as a result of insufficient funds. In addition to the late fee and the overdue amount, interest will accrue on such

amount from the date it was due until paid at eighteen (18) percent per annum or the maximum rate permitted by state law, whichever is less. Interest will be compounded monthly and shall be in addition to any other remedy PBFC may have under this Agreement or applicable law.

10.10 Convention Fee. During the term of this Agreement, you will pay to PBFC an annual Convention Fee up to $790. The Convention Fees that are unpaid fourteen (14) days prior to convention will be automatically drafted. The Convention Fee includes registration for two (2) attendees. It does not include the cost of travel, lodging, food or entertainment.

10.11 Administrative Fee for Permitted and Properly Redeemed Use of Daily Deal Sites. You will pay a fee of 6% of the return from Groupon or other approved daily deal/vouchers redeemed at your Spa.

10.12 Site Visit Fee. You will pay a training fee of $200 per day when You request PBFC provide additional training. This fee does not include travel expenses for which You are also obligated.

10.13 Refunds. All fees are fully earned when they become due and are non-refundable.

10.14 Non-Compliance Fees.

10.14.1. Real Estate Non-Compliance Fee. Immediately upon notice to Franchisor, Franchisor may impose a $5,000 fee when Franchisee fails to sign new, current franchise agreement before any lease negotiations for additional Planet Beach® locations or prior to commencing site selection of additional Planet Beach® locations.

10.14.2. Accounting Noncompliance Penalty Fee. On the sixth day of each month, a fee of up to $300.00 may be imposed for when Franchisee fails to timely submit required monthly revenue reports.

10.14.3. Late Payment Fee. You will be charged $100.00 per week until such time that delinquent fees are paid. Interest of 18% per annum or the maximum rate permitted by state law, whichever is less, will also be charged.

10.14.4. NSF Fee. You will be charged $30.00 when there are insufficient funds to make payment, which is made through the Auto-Draft system.

10.14.5. Insurance Handling Fee. If You fail to obtain the required insurance, PBFC has the option to obtain insurance coverage for You. In such event, You will be charged $250.00 administrative fee. This fee does not include the insurance premiums for which you must also reimburse PBFC.

10.14.6. Customer Service Noncompliance Fee. You may be charged a fee of up to $1,000 per incident if you fail to timely resolve customer service disputes after receiving notice of dispute such that Franchisor finds it necessary to intervene.

10.14.7. Improper or Unauthorized Use of Trademarks. You may be charged a fee of $1,000 per incident upon notice from Franchisor if you improperly or without authorization use Franchisor's trademarks.

10.14.8. Noncompliance of Prohibition of Advertising on Daily Deal Sites. You will be charged $500 per day when You posts promotions on daily deal sites in violation of the terms of this Franchise Agreement. This fee will be assessed until You demonstrate the promotion is completely removed, including from any search engines.

11 PROPRIETARY MARKS AND COPYRIGHTS

11.1 License. During the term of this Agreement, you are granted a non-exclusive license to use the Proprietary Marks in connection with the operation of your Spa. You shall display the Proprietary Marks only in the manner that PBFC directs or permits. Your license to use the Proprietary Marks shall automatically cease upon termination or expiration of this Agreement.

11.2 You are prohibited from selling or reselling any products, equipment or other materials containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates without our express written consent**.** You are required to give PBFC advance written notice before any attempt to sell or offer of sale of any of the foregoing products, equipment or other materials. **Additionally, PBFC, its affiliate or its assignee will have the first right but not the obligation to purchase any products, equipment or other materials subject to any trademark, patent, trade secret, or other properietary or confidential information containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates used in connection with the operation of your Spa by providing you written notice of its election within six (6) months after termination or expiration of this Agreement. If PBFC exercises this right, PBFC will pay you the book value, subject to the condition of such products, equipment or other materials. For purposes of this Section, "book value" means the amount you actually paid for the products, equipment or other materials less depreciation (calculated by using the straight-line depreciation method on a 10-year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Where such option is exercised, Franchisee is responsible for all costs associated with securely disassembling, where applicable, storing and/or shipping or otherwise delivering in good condition and working order such personal property to a**

site determined by Franchisor.

11.3 Patented Devices and Methods. During the term of this Agreement, Franchisee may receive, through purchase or otherwise, certain devices or methods subject to patents owned by Franchisor. To the extent that any such devices or methods are subject to registered patents, either by the USPTO, WIPO, or any other such entity, Franchisor expressly grants Franchisee a license to use and/or market said devices or methods only during the term of this Agreement. Should this Agreement be terminated for any reason by either Party, any and all licenses granted to Franchisee by Franchisor or its Affiliates with respect to any patented devices and/or methods are considered revoked at the time of termination.

11.4 No Implied License. Each Party acknowledges that the rights and licenses granted in this Agreement are limited to the scope expressly granted. Accordingly, except for the rights expressly granted under this Agreement, no right, title, or interest of any nature whatsoever is granted whether by implication, estoppel, reliance, or otherwise, by either Party to the other Party. All rights with respect to any know-how, patent or other intellectual property rights that are not specifically granted herein are reserved to the owner thereof.

11.5 Ownership. You acknowledge that the Proprietary Marks are valid and are PBFC's sole property. You will not, either during or after the term of this Agreement, do anything or assist any other person to do anything, which would infringe upon, harm or contest PBFC's rights in any of the Proprietary Marks.

11.6 Goodwill. You acknowledge that all goodwill which may arise from your use of any of the Proprietary Marks is and shall at all times remain PBFC's sole and exclusive property and shall inure to PBFC's sole benefit.

11.7 Modification. You acknowledge that PBFC has the right to add, modify, substitute or discontinue use of any of the Proprietary Marks in its sole discretion. You agree to make any additions, deletions and modifications on all interior and exterior signs, packaging materials, printed materials and advertising as PBFC directs at your own expense.

11.8 Internet Usage. You may not register or use the words "Planet Beach®" or "HOTWORX®" in any domain name. You shall not use the Proprietary Marks, or any part thereof, as part of any web site domain name without Planet Beach®'s prior written consent. An individual website for your Spa may only be operated and maintained through Planet Beach's website.

11.9 Infringement. You shall promptly notify PBFC of any infringement of, or challenge to, the Proprietary Marks and PBFC shall, in its discretion, take such action, as it deems appropriate. PBFC will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs

and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your use of the Proprietary Marks according to this Agreement and PBFC's other written directives if you have promptly notified PBFC of such claim. If PBFC undertakes the defense or prosecution of any litigation pertaining to any of the Proprietary Marks, you must execute any and all documents and do such acts and things as, in the opinion of PBFC's counsel, are necessary to carry out such defense or prosecution. Trademarks, patents, copyrights and proprietary information are protected under both state and federal law. Any violations may be pursued to the fullest extent of the law.

11.10 Franchisee Developments. PBFC shall own and have the exclusive right to use and incorporate franchisee developments in the PBFC Franchise System, for the benefit of other franchisees and PBFC, any modifications, changes and improvements to the System, in whole or in part, developed or discovered by You or your employees or agents in connection with the System or the operation of your Spa, without any liability or obligation to you. This includes, but is not limited to, discoveries or development of products, systems or techniques, management practices or procedures, architectural designs and philosophies and names or groups of words relating to the System or describing the services offered by Planet Beach® Spas.

12 CONFIDENTIAL INFORMATION

You acknowledge and agree that the Operations Manual, training material, PBFC's trade secrets, methods and other techniques, which PBFC provides to you in confidence, are PBFC's exclusive and confidential property ("Confidential Information"). You agree to use the Confidential Information only for the purposes and in the manner PBFC authorizes in writing, which use will inure exclusively to PBFC's benefit. PBFC's trade secrets consist of, without limitation, sales techniques, merchandising and display techniques, Spa layout, advertising formats, accounting systems, operations systems, software, maps, policies, procedures, systems, compilations of information, records, specifications, manuals and other confidential information which PBFC or its affiliates have developed for use in the development and operation of Spas. You may not contest, directly or indirectly, PBFC's ownership of its trade secrets, methods or procedures, or contest or do anything, during or after the term of this Agreement, that might hinder PBFC's right to register, use or license others to use any trade secrets, methods and procedures. Your representatives (including your spouse, partners, officers, directors, shareholders, as applicable), your employees, and their respective heirs, successors and assigns, are prohibited from using and/or disclosing any Confidential Information in any manner other than as PBFC permits and must execute Confidentiality and Non-Competition Agreement in the form attached as Exhibit 6.

13 MARKETING

13.1 Generally. You must participate in all corporate-marketing programs and/or campaigns required by PBFC in writing or contained in the Operations Manual. This includes but is not limited to posting marketing materials relevant to a specific period of time in the Spa and promoting the same campaign throughout your social media efforts. You may place or display at your Spa (interior and exterior) only the signs, emblems, lettering, logos and displays and marketing materials as PBFC approves in writing from time to time. You must submit to PBFC, at least 10 days prior to your use, samples of all sales promotional and marketing materials you desire to use for approval. PBFC's failure to approve or disapprove the materials within 10 days of receipt will be deemed disapproval. You may not use any marketing or promotional materials for which PBFC has not given its prior written approval.

13.2 Local Advertising. Upon opening your spa, you will be required to spend a minimum of $2,000 per month on local advertising. You agree to adhere to the Franchisor' system for local advertising. All advertising must be approved by Franchisor.

13.3 Territorial Marketing Restriction. You are not permitted to solicit customers and/or market outside your Protected Territory, except through the use of indirect advertising and marketing, through such channels as the internet, social media, e-mail, and other electronic communications. All solicitation or marketing outside of Your territory first requires PBFC's prior written authorization which PBFC may give or withhold in PBFC's sole discretion. PBFC may condition its authorization upon your agreement to offer System franchisees who are operating Spas in contiguous territories the opportunity to participate in, and share the expense of, such solicitation and/or marketing. **AS A FRANCHISEE, YOU ARE PROHIBITED FROM ADVERTISING ANY ASPECT OF PLANET BEACH® OR OFFER PLANET BEACH® PROMOTIONS THROUGH DAILY DEAL PROGRAMS SUCH AS GROUPON, LIVING SOCIAL, MINDBODY, GYMPASS OR OTHER SIMILAR MEANS VIA ONLINE OR OTHER MEDIA OUTLETS.** As the only PBFC exception, PBFC allows daily deals only through the PBFC corporate Groupon account. **YOU ARE PROHIBITED FROM PROMOTING ANY HOTWORX® SERVICES THROUGH "DAILY DEAL" SITES, i.e., Groupon, Living Social, MindBody, GymPass and/or similar sites or other media that offer redeemable vouchers for goods and services.** In addition to liability for any damages for which Franchisee is legally liable under the law, Franchisee will be assessed a daily fee of $500.00 per day when Franchisee, in violation of these prohibitions, posts any HOTWORX® and Planet Beach® promotions on daily deal sites, such as Groupon, Living Social and/or other similar sites or other media that offer redeemable vouchers. This daily fee will be assessed until Franchisee demonstrates that the promotion is completely removed, including from any internet search engines.

14 INSURANCE

14.1 You must obtain and maintain at your sole expense at all times during the term of your Franchise Agreement all such insurance coverage as Franchisor from time to time shall specify, and/or any other insurance coverage required by law. The insurance you are required to obtain and maintain includes but is not limited to comprehensive general liability insurance, complete operations coverage, broad form contractual liability coverage, property damage coverage and professional liability coverage all with current annual limits $1,000,000 per occurrence and annual aggregate limits of $1,000,000. You will also need business interruption coverage with annual limits of at least $300,000. You will also need both builder's risk coverage and tenant improvement and betterment coverage each sufficient to cover the cost of build-out and any landlord participation. You must also obtain and maintain contents damage coverage with a minimum limit of $200,000. Flood contents coverage is highly recommended but not required by Franchisor. You are also required to have worker's compensation insurance. Insurance must be written through an approved vendor. You must also purchase any insurance required by law. Before you make a decision to purchase the franchise, you should confirm that insurance is available for a Spa of the type you intend to operate.

14.2 Other insurance requirements. Each policy shall be written by an insurance company acceptable to PBFC and shall name PBFC as an additional insured exactly as follows: "Planet Beach® Franchising Corporation and its officers, directors, agents, attorneys, employees and affiliates, 5145 & 5161 Taravella Road, Marrero, LA 70072." You shall promptly deliver to PBFC original certificates evidencing that all insurance required by PBFC is in full force and effect prior to opening the Spa for business. You shall deliver to PBFC your initial certificates and renewal certificates each year. All policies must provide that the policy may not be cancelled, terminated, modified or reduced in terms of coverage, without thirty (30) days prior written notice to PBFC. You must promptly report to PBFC any claims made against you or against any policy you obtain.

14.3 No coverage exclusions for equipment or services. You may not exclude coverage for any equipment and/or services provided at your Spa.

14.4 No assurances. There is no assurance that minimum insurance requirements will be adequate to satisfy your needs. Franchisor strongly recommends that you contact a reputable broker who can help you determine whether your insurance coverage is adequate. Once such broker who may be able to assist you with some of your spa-related insurance needs is The Daniel & Henry Co., 1001 Highland Plaza Dr. West, Ste. 500,

St. Louis, MO 63110, 314-444-1903, www.DanielandHenry.com; Braswellb@danielandhenry.com.

14.5 Insurance Handling Fee. If You fail to obtain or maintain the required insurance, PBFC has the right, but is not obligated, to obtain and maintain such insurance coverage on your behalf and to charge You for such coverage, together with an insurance handling fee, which shall not exceed $250.00 due immediately after notice from PBFC. This fee does not include the insurance premiums for which you must also reimburse PBFC.

15 BOOKS, RECORDS AND REPORTS

15.1 Books and Records. You must use QuickBooks Online. You will be provided with such an account. You must use the QuickBooks Online master chart of accounts feature. You are prohibited from amending or modifying this QuickBooks Online account. You are further required to choose a financial institution that permits any Franchisee bank account to sync directly to QuickBooks Online. You are further required to maintain at the Approved Location or other approved location such books, accounts, records and memoranda disclosing all transactions relating to or involving the operation of the Spa. PBFC shall have access to examine, inspect and copy all such books, accounts, records, memoranda, computer files and systems to review, inspect and poll such data during regular business hours. Financial records and statements must be kept and maintained in conformity with generally accepted accounting principles or such other accounting method that is acceptable for tax reporting purposes. You must keep and maintain such record-keeping or electronic reporting systems as PBFC may require and make the same available to PBFC as PBFC specifies or as a report or statement. You must use those forms specified by PBFC. In addition, you must keep in the manner specified by PBFC, consecutively numbered customer receipt forms for each purchase or service rendered in the operation of the Spa. You must retain these for PBFC's inspection, and upon PBFC's request, forward them to PBFC.

16 ACCOUNTING

16.1 Application of Payments. PBFC has the right to apply all payments as it deems appropriate in its discretion, regardless of the purpose for which such payment is designated; provided, however, PBFC shall not apply payment to any indebtedness that you have identified in writing as a disputed charge.

16.2 Interest. You must pay all bills, fees, charges and other obligations to Franchisor in strict accordance with the applicable payment and credit terms. Any amount not paid when due, will bear interest from the due date at the rate of 18% per annum, or the maximum allowed by law, whichever rate shall be less. Interest will be compounded

monthly. The payment of such interest or other amounts due shall not be deemed to constitute a waiver of any other rights available to Franchisor.

17 INSPECTIONS

17.1 PBFC or its designee has the right at any time and without prior notice, to conduct a reasonable inspection of the Spa, which may include use of the HOTWORX® saunas for workouts to ensure quality of the experience. Any such inspection that is necessary beyond the secret shop program will be at PBFC's expense, unless PBFC is required to make any additional inspections in connection with your failure to comply with this Agreement. In such event, PBFC has the right to charge You for the costs of making the additional inspections, including without limitation travel expenses, room and board and compensation of employees. You must promptly remedy at your sole expense any deficiency found during any inspection.

17.2 Annual Compliance Inspections. Annually and on the anniversary of Franchisee's Spa's soft opening, the Performance Consultant will perform a mandatory video inspection to ensure Franchisee's on-going compliance with Franchisor's policies and this Agreement. Should the Performance Consultant determine that your Spa is non-compliant, you will have thirty (30) days to cure as provided for in Section 23.3 below.

18 COVENANTS

18.1 During the Term of this Agreement. During the term of this Agreement, neither you nor any of your principals shall, directly or indirectly, through corporations, partnerships, limited liability companies, trusts, associations, joint ventures, or other unincorporated businesses, perform any services for, engage in or acquire, participate or have any financial or other interest in any other business or other entities offering spa or tanning services or other services or products offered by PBFC locations, including offering the same or similar services and products offered by HOTWORX® studio locations, provided, however, that this provision shall not apply to the operation of any other Planet Beach® or HOTWORX® franchised business pursuant to a valid franchise agreement with PBFC or HOTWORX® Franchising, L.L.C.

18.2 After the Term of this Agreement. For a period of 2 years following termination or expiration of this Agreement, or the termination of any principal's interest in the Spa, neither you nor any of your principals shall, directly or indirectly, through corporations, partnerships, limited liability companies, trusts, associations, joint ventures, or other unincorporated businesses, perform any services for, engage in or acquire, participate or have any financial or other interest in any other business or other entities offering tanning services or other services or products offered by Planet Beach® locations, including HOTWORX® or hot yoga services or

products in (1) the municipality and parish/county in which your Approved Location(s) and Protected Territory are located; (2) the parishes/counties where other Planet Beach® and HOTWORX® franchises in Franchisee's state are located on the effective date of this Agreement and in the future; and (3) any one of Louisiana's 64 parishes. The aforesaid 2-year period shall be tolled during any period of noncompliance.

19 INDEPENDENT CONTRACTOR; INDEMNIFICATION

19.1 Independent Contractor. You are an independent contractor responsible for full control over the internal management and daily operation of your Spa, and neither PBFC nor you are the agent, principal, partner, employee, employer or joint venture of the other. You must not act or represent yourself, directly or by implication, as an agent, partner, employee or joint venture of PBFC, nor may you incur any obligation on PBFC's behalf or in its name. This Agreement does not create a fiduciary relationship between You and PBFC. Although PBFC will impose restrictions and specifications related to our Proprietary Marks and our brand, you alone will be responsible for the day-to-day operation of your business, including management of employees and oversight of other employment-related conditions, including but not limited to hiring, termination, promotions, staffing levels, training, performance evaluations, and/or discipline, employee complaints, workers' compensation insurance, taxes, pay rate, benefits, work schedules, or employee record keeping. PBFC will not control matters related to labor and employment for your franchised business, and PBFC cannot advise you on such matters. If you have questions about your legal obligations, you should contact an independent attorney. Prior to opening your Spa, you must install and display prominently a sign within your Spa that reads: "This Planet Beach® Spa is independently owned and operated by, [your company], a franchise of Planet Beach Franchising Corporation."

19.2 Indemnification. You alone will be responsible for any claim, action, loss, damage, liability, injury, death arising out of or relating to, the development and/or operation of your Spa or arising out of, or relating to, your acts or omissions, or the acts or omissions of any of your agents, employees and/or contractors in connection with the development and/or operation of your Spa. You must defend, indemnify and hold PBFC and/or its Affiliates harmless from all fines, loss, damage, exemplary damages, liability, lawsuits, proceedings, including administrative proceedings, claims, demands, obligations or actions of any kind (including costs, penalties, assessments and reasonable attorneys' fees) arising in whole or in part from training, the construction, development and/or operation of your Spa, or the performance of your obligations under this Agreement that exist upon execution or that may arise in the future, except as otherwise provided in this Agreement.

20 NOTICES

Except for Your monthly financial reporting obligations under the Agreement, all notices, requests and reports to be given under this Agreement by You shall be both by e-mail with a confirming receipt and in writing to Franchisor's address by either prepaid overnight or certified mail return receipt requested. Any required notices by Franchisor under this Agreement will be sent to the address or email address set forth in the Data Sheet (which may be changed by written notice to Franchisor).

21 SALE OR ASSIGNMENT

21.1 Assignment by PBFC. PBFC has the right to assign this Agreement and to delegate its obligations under this Agreement in whole or in part in its sole discretion. PBFC is not obligated to provide you with prior notice of such assignment.

21.2 Assignment by You. Your rights under this Agreement are personal, and You shall not sell, transfer, assign or encumber your interest in the franchised business without our prior written consent. Unless with PBFC's prior written approval, You are prohibited from changing Your bank account information for auto-draft when the new account information is in the name of a or belongs to a person(s) other than You as Franchisee. Before granting such written approval, PBFC may require that the person(s) whose name appears on or who owns the new bank account sign a new and separate, then current franchise agreement with PBFC.

21.3 Conditions for Transfer. PBFC will not approve any transfer unless the following items have been completed prior to execution of purchase agreement between you and the buyer:

21.3.1. PBFC's approval of buyer as a franchisee for the subject Spa;

21.3.2. The satisfaction of all monetary and non-monetary obligations under this Agreement and any other agreement between You and PBFC or its Affiliates, which includes but is not limited to Your obligations under Section 15 above;

21.3.3. PBFC is provided with a copy of the purchase agreement between You and the buyer as well as a valid location lease for the operation of the Spa;

21.3.4. Your execution (or your principals' execution, as applicable) of a general release, in a form prescribed by PBFC, of all claims against PBFC and its officers, directors, agents, employees, and Affiliates. Notwithstanding such release, You shall remain obligated under those provisions of this Agreement that expressly extend beyond the term hereof; and

21.3.5. There is no transfer fee when an individual transfers the franchise to his/her corporation or LLC. There is a transfer fee of $10,000 should You sell or transfer Your location to an existing franchisee. Should You transfer the franchise to a third-party entering the franchise system, the transfer fee will be $19,950.00;

21.3.6. Franchisee's buyer agrees to upgrade the Spa according to then-current PBFC system standards.

21.4 Death or Disability. In the event of your death, disability or incapacitation (or the death, disability or incapacitation of your principals or personal guarantors if you are a partnership, corporation or limited liability company), your legal representative (or your principal's or guarantor's respective legal representative, as applicable) shall have the right to continue the operation of the Spa under this Agreement, without payment of a transfer fee, if

(i) within 90 days from the date of death, disability or incapacitation (the "90-day period"), such person has obtained PBFC's prior written approval; and

(ii) such person successfully completes PBFC's required training programs. Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by this Agreement and are acceptable to PBFC.

21.5 Right of First Refusal. PBFC shall have the irrevocable first right and option to purchase your business on the same terms and conditions as any bona fide purchaser who wishes to become a Planet Beach® franchisee. You are required to provide PBFC with any third party offers to purchase your business. PBFC may exercise this right of first refusal by notifying you of PBFC's decision to do so in writing within thirty (30) days after receipt of any third party offers that you provide. Any sale or attempted sale without first giving PBFC the right of first refusal shall be void and of no force or effect.

21.6 Transfer to a Corporation or Limited Liability Company. You have the right to assign your rights under this Agreement to a corporation or limited liability company provided:

21.6.1. The entity is newly organized and its activities are exclusively confined to operating the Planet Beach® franchise;

21.6.2. You are, and at all times remain, the owner of 51% of the outstanding shares of the corporation or a controlling interest in the limited liability

company;

21.6.3. The new entity delivers to PBFC a written assumption of your obligations under this Agreement;

21.6.4. All shareholders, members and/or managers of the new entity sign PBFC's Guaranty Agreement; and

21.6.5. The entity must adhere to the requirements set forth in this Agreement relating to management of the Spa.

21.7 Transfer of Designated Marketing Area. In the event that You elect to transfer Your license from one DMA to another DMA and Franchisor approves said transfer, then a $5,000 transfer fee will be assessed.

22 CHANGES AND MODIFICATIONS

Franchisor reserves and shall have the sole right to make changes in the Operations Manual, the System, policies and procedures, and the Proprietary Marks at any time and without prior notice to Franchisee. Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System must not remain static in order to best serve the interest of Franchisor, franchisees, and the System. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of the Operations Manual or System; adding to, deleting from or modifying those programs, products and services which the franchised business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, changes, additions, deletions and alterations at its sole expense.

23 TERMINATION

23.1 Automatic Termination. This Agreement will automatically terminate, without notice and without an opportunity to cure, if:

23.1.1. You make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated a bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or for the Spa; or

23.1.2. You purport to sell, transfer or assign your rights under this Agreement,

including the sale of franchise assets, without PBFC's consent, in violation of Section 21.

23.2 Termination With Notice and Without Opportunity to Cure. PBFC has the right to terminate this Agreement, which termination shall become effective upon delivery of notice of termination, without providing you an opportunity to cure, if:

23.2.1. Proceedings are commenced to have You adjudicated as bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for You or for the Spa without your consent, and the appointment is not vacated within 60 days;

23.2.2. A levy or writ of attachment or execution or any other lien is placed against You or any of your principals, as applicable, or any of your assets or your principal's assets which is not released or bonded against within 30 days;

23.2.3. In the sole and absolute discretion of PBFC, you fail to successfully complete all required PBFC training programs at least 60 days following the opening of your Spa;

23.2.4. You or any of your principals are insolvent;

23.2.5. You or any of your principals are convicted of or plead no contest to a felony or criminal misconduct relevant to the performance of your duties under this Agreement;

23.2.6. You have misrepresented any material information to PBFC given in connection with this Agreement including, but not limited to information in your franchise application, or you falsify any material information provided to PBFC;

23.2.7. You or your principals commit any fraud or engage in any illegal conduct in connection with the Spa; or intentionally underreport or misstate any information you are required to report to PBFC;

23.2.8. You misuse any of the Proprietary Marks, Copyrights or Confidential Information and fail to immediately cease or correct such use after receiving written or oral notification from PBFC;

23.2.9. You fail to find a site for your Spa and submit it to PBFC for approval within 120 days of the effective date of this Agreement, and you fail to

request and obtain an extension of the Site Selection Period;

23.2.10. You abandon your Spa (for purposes of this provision, the term "abandon" shall mean your failure to operate the Spa for 3 or more consecutive days);

23.2.11. You fail to cure any default of your lease or sublease for your Spa's location within the relevant cure period, if any, or to remedy any default under any note, lease, or sublease for the Spa's location, or for the equipment or inventory therein, or lose the right to possession of the Spa's location, provided however, that if any such loss of possession results through no fault of your own, and the premises are damaged or destroyed by fire, flood or other natural disaster such that they cannot, in PBFC's sole judgment, reasonably be restored, or you are not permitted under the lease or sublease to restore, then this Agreement shall not be terminated for that reason for a period of 60 days thereafter, provided that PBFC has approved (i) a site within that time to which you will relocate for the remainder of the term of this Agreement; and (ii) your schedule for reopening the Spa, which approval shall not be unreasonably withheld;

23.2.12. You violate the confidentiality/non-disclosure obligations of this Agreement;

23.2.13. The provisions contained in this Agreement for transfer by You upon death, disability or incompetence are not strictly followed;

23.2.14. You violate the covenants set forth above in Section 18.1 above;

23.2.15. You fail to obtain PBFC's approval or consent as required by this Agreement, except as required by Section 21 which shall result in automatic termination;

23.2.16. You violate any of the provisions of this Agreement and/or any other agreement with PBFC on two (2) or more occasions within any 12-month period (notwithstanding the cure of any individual violation); or

23.2.17. You fail to open your Spa or request and obtain an extension of time to open your Spa within 275 days of the effective date of this Agreement.

23.3 Termination by PBFC After a Thirty (30) Day Cure Period. PBFC has the right to terminate this Agreement, after providing you a 30-day cure period, if you fail to comply with any term of this Agreement not listed in Section 23.2.

23.4 Cross-Default. If you are the owner of more than 25% of another Planet

Beach® franchise or corporate or limited liability company franchisee, then any breach of the franchise agreement for such additional franchise will constitute a breach of this Agreement and be grounds for PBFC to terminate this Agreement. Moreover, a breach of this Agreement is grounds for termination of any other agreement you have with PBFC or its Affiliates.

24 YOUR OBLIGATIONS UPON TERMINATION

24.1 Upon termination or expiration of this Agreement, You shall:

24.1.1. Promptly pay to PBFC and/or its Affiliates any sums due and owing, and to other persons or entities sums which may result in a claim of liability to PBFC.

24.1.2. Upon termination of this Agreement at any time and for any reason. You must also promptly pay PBFC:

(1) the royalty fees;
(2) virtual instruction software fees;
(3) POS software fees; and
(4) projected sales of whole sale goods based on the Spa's average performance since the opening of the Spa

that would otherwise be due for the remaining term of this Agreement discounted to present value using an interest rate of 8% and using the annuity valuation method. These fees shall be accelerated and payable even where franchisee's obligation to pay said fees has not yet commenced under Sections 10.2, 10.4, and 10.7 of this Agreement. In the event that franchisee Spa has not yet opened, 24.1.2(4) shall be calculated based on the average of all franchise outlet retail sales of wholesale goods for the 12 months prior to the date of termination. Nothing in this section shall limit PBFC's right to claim other damages arising out of your breach of the Agreement. This Section shall not apply in the event the Agreement expires by its own Term. This Section shall not apply in the event the termination is due to your bankruptcy;

24.1.3. Immediately cease using the Proprietary Marks, Software, Copyrights Confidential Information, and Patented Devices or Methods and refrain from referencing any past association with Planet Beach® or HOTWORX®;

24.1.4. Immediately discontinue all marketing under the name Planet Beach®, HOTWORX® or any similar name

24.1.5. Immediately discontinue use of all HOTWORX® equipment, refrain from selling any HOTWORX® equipment that is trademarked, patented or patent pending, and refrain from selling any other equipment or personal property without PBFC's express written consent;

24.1.6. Promptly transfer to PBFC, its Affiliates or PBFC's designee any and all registrations and/or telephone listings, email addresses, and URLs under the name "Planet Beach®," "HOTWORX®" or any similar designation and execute such instruments and take such steps as PBFC may require to accomplish the transfer of any such registration or listing. You hereby grant to PBFC power of attorney to cancel any fictitious name registration under the name referenced above, or any similar name;

24.1.7. If directed by PBFC, promptly make such changes and modifications in your business methods, Spa facility, and otherwise as PBFC directs so as to effectively distinguish the franchise location from any appearance as a Planet Beach® Spa;

24.1.8. Promptly destroy or surrender to PBFC all signs, stationery, letterhead, forms and other printed materials containing any of the Proprietary Marks or any other similar name or mark;

24.1.9. Promptly return to PBFC any copies of the Operations Manual in your possession and other materials provided by PBFC or containing Confidential Information or Trade Secrets, or other information which relates to the System or the development and/or operation of the Spa, including but not limited to computer files, customer data, programs and other materials provided to you by PBFC;

24.1.10. Maintain all books, records and reports PBFC requires for a period of not less than one (1) year, and permit PBFC to inspect such documents;

24.1.11. Deliver to PBFC a complete list of all persons employed by you during the three (3) years immediately preceding termination, together with all employment files for each person on the list;

24.1.12. Provide PBFC, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to PBFC of your compliance with the foregoing obligations;

24.1.13. Comply with all provisions of this Agreement that by their nature survive the termination or expiration of this Agreement; and

24.1.14. **Promptly provide PBFC with an inventory list of all products, equipment or other materials containing any Proprietary Marks and/or intellectual property of PBFC or its affiliates.**

24.2 Security Interest in Personal Property. PBFC shall have a security interest in any equipment, supplies and other personal property on the site if PBFC has not received all funds due and owing from you and if PBFC is entitled by law to possession and a lien against such property.

24.3 Option to Purchase Personal Property. You are prohibited from selling or reselling any products, equipment or other materials containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates without our express written consent**.** You are required to give PBFC advance written notice before any attempt to sell or offer of sale of any of the foregoing products, equipment or other materials. **Additionally, PBFC, its affiliate or its assignee will have the first right but not the obligation to purchase any products, equipment or other materials subject to any trademark, patent, trade secret, or other properietary or confidential information containing any Propriety Marks and/or any intellectual property of PBFC or its affiliates used in connection with the operation of your Spa by providing you written notice of its election within six (6) months after termination or expiration of this Agreement. If PBFC exercises this right, PBFC will pay you the book value, subject to the condition of such products, equipment or other materials. For purposes of this Section, "book value" means the amount you actually paid for the products, equipment or other materials less depreciation (calculated by using the straight-line depreciation method on a 10-year depreciation schedule irrespective of the depreciation method or schedule you use for accounting purposes). Where such option is exercised, Franchisee is responsible for all costs associated with securely disassembling, where applicable, storing and/or shipping or otherwise delivering in good condition and working order such personal property to a site determined by Franchisor.** Notwithstanding the foregoing, to the extent that PBFC exercises its right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of your remaining obligations under the lease or finance agreement, as applicable. In the event that the amounts due are in excess of book value, then the purchase price shall be equal to the lesser of the amount due under the lease or finance agreement or book value. PBFC shall be entitled to offset the purchase price by the amount of money owed by you to PBFC for any payments necessary to acquire clear title to property or for any other debt. If PBFC exercises its option to purchase, pending the closing of such purchase, PBFC has the right to appoint a manager to maintain operation of the Spa, or PBFC may require that you close the Spa during such period without removing any assets. You are required to maintain in force all insurance policies required under this Agreement until the date of such closing.

25 CHOICE OF LAW; DISPUTE RESOLUTION

25.1 Governing Law. This Agreement shall be deemed to have been made in the State of Louisiana and shall be construed according to the laws of Louisiana without regard to its conflict of laws, La. Civ. Code arts. 3515 et seq., and any amendments and/or revisions thereto.

25.2 Internal Dispute Resolution. Before commencing any legal action against PBFC or its Affiliates with respect to any such claim or dispute, you must submit a notice of dispute which specifies, in detail, the precise nature and grounds of such claim or dispute to PBFC. If you are in a territory with a Regional Developer, you must first submit the claim directly to your Regional Developer prior to engaging PBFC. Resolution of your dispute may involve an external, neutral Ombudsman at PBFC's discretion. If your claim or dispute cannot be resolved, you must agree to a meeting between you, your attorney if you have retained one, a corporate representative from PBFC and PBFC's counsel prior to engaging in mediation as set forth under 25.3. This meeting may occur via a virtual face-to-face platform. You must exhaust these internal dispute resolution procedures before proceeding to mediation.

25.3 Mediation. In the event any claim or dispute is not resolved under Section 25.2 and at PBFC's option, all claims or disputes between you and PBFC or its Affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be subject first to mediation in Jefferson Parish, Louisiana. The parties shall share equally the cost of mediation, including mediator's fees, except that each party shall bear their own attorney's fees. PBFC's rights to mediation, as set forth herein, may be specifically enforced by PBFC.

25.4 Arbitration. At PBFC's option, all disputes and claims relating to this Agreement or any ancillary agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action of either party relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Jefferson Parish, Louisiana in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Any arbitration proceeding, or any claim in arbitration (including any defense and any claim of setoff or recoupment), must be brought or asserted before the expiration of the earlier of (1) the time period for bringing an action under any applicable state or federal statute of limitation; (2) 1 year after the date upon which a party discovered or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim. Claims of Franchisor attributable to the underreporting of sales and claims of the parties for indemnification shall be subject only to the

applicable state or federal statute of limitation.

25.4.1 Neither party shall pursue class claims and/or consolidate the arbitration with any other proceeding to which PBFC or its Affiliates are a party. This includes the consolidation/joinder of claims arising out of or related to separate Agreements. Each party must bear its own costs of arbitration including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by PBFC and You.

25.4.2 If PBFC is the prevailing party, the arbitrator's award shall include all fees, costs and attorneys' fees, notwithstanding the foregoing. The arbitrators shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Eastern District of Louisiana and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

25.5 Third Party Beneficiaries. PBFC's officers, members, directors, shareholders, agents, employees and/or Affiliates are express third-party beneficiaries of this Agreement and the mediation and arbitration provisions contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by You.

25.6 Injunctive Relief. Nothing contained in this Agreement herein shall prevent PBFC from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect PBFC's interest prior to the filing of any legal proceeding or pending the trial or handing down of a decision or award pursuant to any legal proceeding conducted hereunder.

25.7 Jurisdiction and Venue. With respect to any proceeding not subject to arbitration and excepting provision in Section 25.6 regarding injunctive relief, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the 24th Judicial District Court for the Parish of Jefferson, Louisiana or the United States District Court for the Eastern District of Louisiana at PBFC's discretion.

25.8 Jury Trial Waiver. With respect to any proceeding, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law

or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from PBFC of the franchise and/or any goods or services.

25.9 Waiver of Punitive Damages. You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which You may have against PBFC, its Affiliates, successors or assigns, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

25.10 Class Action Waiver. You hereby agree to waive any class action proceeding or counterclaim against PBFC, its Affiliates, successors or assigns, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from PBFC, its Affiliates, successors or assigns of the franchise and/or any goods or services.

25.11 Attorneys' Fees. If either party institutes any judicial or arbitration proceeding to enforce any obligations under or to interpret the terms of this Agreement and PBFC prevails in the action or proceeding, you shall be liable to PBFC for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

25.12 Non-waiver. PBFC's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of PBFC's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by PBFC respecting any breach or default shall not affect PBFC's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. PBFC's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

26 CONSTRUCTION

26.1 Entire Agreement. This Agreement contains the entire agreement between the parties concerning the franchisee's franchise; no promises, inducements or representations not contained in this Agreement have been made, or shall any be of any force or effect, nor binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. PBFC reserves the right to change PBFC's policies, procedures, standards, specifications or manuals at PBFC's discretion. Nothing in the Agreement or in any related agreement is intended to disclaim the representation we made in the Franchise Disclosure Document.

26.2 Survival. Any provisions of this Agreement which may be reasonably interpreted to impose any obligation after termination or expiration hereof, shall survive such termination or expiration and be binding upon the parties.

26.3 Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, PBFC reserves the right to terminate this Agreement.

26.4 Construction. The terms "franchisee" and "You" shall be construed to refer to the male or female gender in all cases where the franchisee is an individual, masculine or feminine modifiers and pronouns notwithstanding. The term "Franchisee" and "You" include all persons or entities identified as “franchisee” in the Data Sheet. The term “principals” shall include your general and limited partners if you are a partnership; your officers, directors and shareholders if you are a corporation; and your members and managers if you are a limited liability company. The Section captions are inserted only for convenience and reference, and are not intended to define, limit or describe the scope, intent or language of this Agreement or any provisions hereof.

26.5 Binding Agreement. This Agreement shall be binding upon the parties and their heirs, executors, personal representatives, successors and assigns. All

franchisee signatories to this Agreement and all partners of a partnership franchisee, all officers, directors and shareholders of a corporate franchisee, and all members and managers of a limited liability company franchisee, shall be jointly and severally liable for the performance of all terms, covenants and conditions hereof.

27 PERSONAL GUARANTY OF SHAREHOLDERS, PARTNERS, MEMBERS AND MANAGERS

You acknowledge that all partners in a limited partnership, shareholders in a corporate franchisee, or members and managers in a limited liability company franchisee are obligated to execute a Guaranty Agreement in which each agrees to personally abide by all of the terms and conditions of this Agreement and guarantees to PBFC your performance of this Agreement and your financial obligations. Unless all such partners, shareholders, or members and managers execute such Guaranty Agreement concurrently herewith, this Agreement shall, at PBFC's option, become null and void and confer no rights upon You nor any partner, shareholder, member or manager. All guarantors shall be jointly and severally liable for the performance of all of the terms, covenants and conditions hereof. If you are an individual(s), or subsequent to execution hereof, you assign this Agreement to an individual(s), such individual's spouse hereby personally and unconditionally guarantees without notice, demand or presentment the payment of all of your monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by the restrictions upon your activities upon transfer, termination or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses shall execute the Guaranty Agreement in the form attached as Exhibit 3 to this Agreement.

28 REPRESENTATIONS AND ACKNOWLEDGEMENTS

28.1 No Warranties. PBFC makes no warranties, express or implied, nor any representation whatsoever other than as expressly set forth herein.

28.2 No Authority. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE PBFC EXCEPT AN AUTHORIZED OFFICER OF PBFC BY WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY OR ON BEHALF OF PBFC, WHICH HAVE CAUSED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE IS DEPENDENT UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND THE CONTROL OR INFLUENCE OF PBFC. YOU FURTHER

UNDERSTAND THAT SOME FRANCHISEES ARE MORE, OR LESS, SUCCESSFUL THAN OTHER FRANCHISEES AND THAT PBFC HAS MADE NO REPRESENTATIONS THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

28.3 Receipt. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF PBFC'S FRANCHISE DISCLOSURE DOCUMENT, FINANCIAL STATEMENTS AND CONTRACTS FOR THE PLANET BEACH SPA FRANCHISE AT LEAST 14 CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT OR PAYMENT OF ANY MONIES FOR THE FRANCHISE. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS COMPLETED AND WITH ANY AMENDMENTS AND EXHIBITS, AT LEAST 7 CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT.

28.4 Your Business Efforts. YOU, AS AN INDEPENDENT BUSINESS PERSON OR ENTITY, RECOGNIZE THAT THERE ARE ECONOMIC HAZARDS IN CONNECTION WITH THE OPERATION OF ANY BUSINESS, INCLUDING THE TYPE CONTEMPLATED BY YOU PURSUANT TO THIS AGREEMENT. YOU ACKNOWLEDGE THAT PBFC DOES NOT GUARANTEE YOUR SUCCESS, FINANCIAL OR OTHERWISE, EVEN THOUGH YOU MAY FOLLOW OR RELY ON PBFC'S ADVICE, RECOMMENDATIONS, PROGRAMS, POLICIES AND PROCEDURES. YOU ACKNOWLEDGE THAT YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS AND THAT NO REPRESENTATION HAS BEEN MADE BY PBFC REGARDING THE POTENTIAL OR FUTURE PROFITABILITY OF THE FRANCHISED BUSINESS, NOR OF THE FUTURE NUMBER OF PBFC SPAS AND ANY BENEFITS FLOWING THEREFROM. YOU UNDERSTAND THAT ANY INCOME OR PROFITS YOU MAY REALIZE WILL BE PRIMARILY THE RESULT OF YOUR EFFORTS AND LABORS, AND NOT THOSE OF PBFC OR THIRD PARTIES. THIS FRANCHISE IS NOT A SECURITY AND YOU AGREE NOT TO RELY ON PBFC OR ANY THIRD PARTY TO PRODUCE INCOME FOR YOU PURSUANT TO THIS AGREEMENT.

28.5 Opportunity to Review by Your Advisors. YOU ACKNOWLEDGE THAT PBFC HAS RECOMMENDED AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN REVIEW OF THIS AGREEMENT AND PBFC'S FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF.

28.6 Execution of Agreement. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO PBFC, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, OFFICER, MEMBER OR MANAGER, AS APPLICABLE, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION, OR ALL OF THE MEMBERS AND MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

28.7 Execution in Duplicate. THIS AGREEMENT MAY BE EXECUTED IN DUPLICATE, EACH OF WHICH SHALL BE DEEMED AN ORIGINAL.

[*SIGNATURE PAGE TO FOLLOW*]

The parties to the Agreement, intending to be legally bound, have here executed this Agreement the day and year first above written in the Data Sheet.

Franchisee: _____ Date: _____

Franchisee: _____ Date: _____

Planet Beach® Franchising Corporation

By: _____ Date: _____

This Agreement is not fully executed until signed by the CEO or President of Planet Beach® Franchising Corporation.

EXHIBIT 1 TO
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

SCHEDULE OF AUTHORIZED AND APPROVED PRODUCTS AND SERVICES

For purposes of the Franchise Agreement, the following products and services are currently "Authorized Products and Services and Approved Suppliers" as described in Section 9.3.

HWX, LLC: HOTWORX® infrared sauna, Red Light Facial, private label products and accessories.

New Sunshine: Australian Gold, Swedish Beauty, Designer Skin private label and co-branded products.

Beaming White: Teeth whitening products

Faux Pas: Branded clothing

Cinemation: Lighting and flooring, Interior Building Components, and all casework (service stand, consultation station, etc.)

S&F Fabrication: Lighting and flooring, Interior Building Components, and all casework (service stand, consultation station, etc.)

Spa furniture vendors as approved by PBFC: All Spa furniture including lobby and service room furniture.

Furniture for Life: Massage beds

ProSun: UV Equipment, massage beds and accessories

Sunless Inc.: Mystic Sunless Booths: UV Free/Spray Tanning equipment and authorized retail products.

Vista Print: Printed Materials, Direct Mail, and accessories.

Daniel and Henry: Insurance

Intuit: QuickBooks Online accounting software

La Taravella: approve products, such as body oil, sugar scrub, facial toner and space and body sprays

Cure Oils: essential oils and space and body sprays

CityGro: customer relations management system

PLANET BEACH® FRANCHISING CORPORATION

By:_____

FRANCHISEE

By: _____

_____ _____
WITNESS

_____ _____
WITNESS

EXHIBIT 2 TO
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

APPROVED LOCATION AND TERRITORY ADDENDUM

The undersigned franchisee has the right to establish one Planet Beach® Spa at the following Approved Location (as defined in Section 2 of the Franchise Agreement):_____-

Your Protected Territory generally will be a circle, the center of which will be your location as defined by your signed lease. The actual size and dimensions of your Territory may be less than stated below and will depend upon the specific variables of your Site, including population density, marketing and development trends, traffic flow and natural and man-made boundaries. A map plotting the Protected Territory will be attached hereto upon execution of an approved lease for your location.

If a radius is used to determine your Protected Territory, then the radius of the circle will be in PBFC's sole discretion and based on where the Spa site is located and will be up to either:

1. A radius ranging from one third of a mile (.3 miles) up to one and nine tenths of a mile (1.9 miles) if your Spa is located in a densely populated area which may include suburbs; or

2. A two-mile (2.0 miles) radius if your Spa is located in any other area.

Your Protected Territory shall exclude: (i) any area that is across a state line, river, navigable waterway, highway, interstate, or other natural or man-made boundary; and (ii) regional shopping malls, professional or collegiate athletic facilities, residences, resorts, hotels, train stations, bus stations and airports. Franchisor reserves the right to modify Your Territory should You breach the Franchise Agreement.

The final determination of the radius of Your Protected Territory will be decided by the Franchisor in its sole discretion

PLANET BEACH® FRANCHISING CORPORATION

By:_____

FRANCHISEE FRANCHISEE

_____ _____

EXHIBIT 3 TO
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

GUARANTY AGREEMENT

WHEREAS, a Franchisee Agreement dated_____has been entered into between Planet Beach® Franchising Corporation ("PBFC") and _____ (referred to as "Franchisee") for the operation by Franchisee of a Planet Beach® location; and

WHEREAS, the undersigned guarantor desires to guarantee the obligations of Franchisee to PBFC;

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

The undersigned, as a person with an interest in a Planet Beach® franchise, agrees to personally and unconditionally guaranty the obligations of Franchisee to PBFC and shall personally be subject to and bound by all terms, conditions, restrictions and prohibitions contained in the PBFC 's Single Unit Franchise Agreement including, without limitation, the confidentiality provisions, covenants, and indemnification provisions contained in Sections 12, 18 and 19.2, respectively. Further, the undersigned agrees to personally act as surety for the full and faithful performance of all of the financial obligations, commitments and payments required of the Franchisee in any such subject Franchise Agreement. The undersigned agrees that PBFC does not have to pursue any remedies it may have against the Franchisee or any other individual guarantor; but, rather, it may proceed directly and primarily against the undersigned with or without joining the Franchisee or other guarantors as principals or as named parties in any such proceeding. The undersigned is jointly and severally liable for such obligations, commitments and payments required of the Franchisee.

_____

Witness Guarantor, Individually

_____

Witness Guarantor, Individually

ACKNOWLEDGMENT BY GUARANTOR

WHEREAS, a Guaranty Agreement dated _____ is being entered into between Planet Beach® Franchising Corporation ("PBFC") and _____ ("Guarantor"), where under Guarantor has guaranteed the obligations of a corporate, limited partnership or limited liability company franchisee to PBFC, or is the spouse of an individual franchisee of PBFC, and _____ ("Guarantee").

WHEREAS, PBFC and Guarantor desire to clarify the relationship between them.

NOW, THEREFORE, Guarantor acknowledges that Guarantor has conducted an independent investigation of the PBFC franchise program and recognizes that the business venture contemplated by the franchisee involves business risk and success that will be largely dependent upon the ability of the franchisee, Guarantor and other persons with an interest in the franchise as independent business persons. PBFC expressly disclaims the making of, and Guarantor acknowledges not receiving, any guaranty or warranty, express or implied, nor any representation as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement. Guarantor further represents that Guarantor is not a party to any agreement which might interfere with the performance required of persons with an interest in the franchise under the PBFC 's Single Unit Franchise Agreement, and that entering into such agreement shall not in any way interfere with or constitute a breach of any prior existing contract to which Guarantor is a party.

_____

Witness Guarantor, Individually

_____

Witness Guarantor, Individually

EXHIBIT 4 TO
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

RIDER TO LEASE

THIS RIDER TO LEASE made this _____ day of _____20__, by and between_____, with principal offices at _____ (hereinafter "Landlord"): and _____ with principal offices at (hereinafter "Tenant"); and Planet Beach® Franchising Corporation, a Delaware Corporation, with its principal address at 5145 Taravella Road, Marrero, Louisiana 70072 (hereinafter "Franchisor").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____ of 20____, (the "Lease") for leased premises located at _____ (the "Premises"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Premises. It is intended to provide Franchisor the opportunity to preserve the Premises as a Spa operated under Franchisor's brand in the event of any termination of the lease or any franchise agreement between Franchisor and Tenant, and to assure Landlord that if Franchisor exercises the option to assume the Lease as provided in this Rider to Lease, any defaults of Tenant under the Lease will be cured by Franchisor before it takes possession of the Premises. Landlord acknowledges and agrees that Franchisor will have the right, but not the obligation, to assume the Lease of the Premises attached as Exhibit A, on the terms, covenants and conditions hereinafter set forth.

1. DEFAULT BY TENANT UNDER THE LEASE

1.1 Landlord will send Franchisor copies of all notices of default it gives to Tenant at the same time it gives such notices to Tenant. If Tenant fails to cure any default within the period specified in the Lease, Landlord will promptly give written notice to Franchisor, specifying the default Tenant has failed to cure. Franchisor will have the right and option, but not the obligation, to assume the Lease by giving written notice to Landlord and Tenant within thirty (30) days after the date of receipt of Landlord's notice that Tenant has failed to cure a default under the Lease.

1.2 Landlord will deliver possession of the Premises to Franchisor promptly after Landlord receives Franchisor's written notice exercising its option to assume the Lease. Franchisor, upon taking possession of the Premises, will cure the defaults specified by Landlord and will execute and deliver to Landlord an assumption of the Tenant's rights and obligations under the Lease.

1.3 Franchisor will not be required to cure defaults and/or begin paying rent until Landlord delivers possession of the Premises to Franchisor. If it becomes

necessary for Landlord to pursue legal action in order to evict Tenant and deliver possession of the Premises to Franchisor, Franchisor will, upon written request by Landlord, pay into an escrow account with Landlord's attorney, such amounts as are necessary to cure Tenant's defaults. If Landlord is unable to deliver possession of the Premises to Franchisor within nine (9) months after the date of Franchisor's exercise of its option to assume the Lease, Franchisor will have the right, at any time until Landlord delivers possession of the Premises, to rescind the option exercise by written notice to Landlord, whereupon all amounts in escrow shall be returned to Franchisor.

2. TENANT'S FAILURE TO EXTEND THE LEASE TERM

2.1 If the Lease contains the term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord will give Franchisor written notice thereof, and Franchisor will have the right and option, but not the obligation, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease by giving written notice to Landlord within thirty (30) days of receipt of Landlord's notice. If Franchisor exercises such right(s), Landlord and Franchisor will promptly execute a lease assumption agreement that will provide for Franchisor's assumption of the Lease effective at the commencement of the extension or renewal term.

3. TERMINATION OF FRANCHISE AGREEMENT

3.1 Franchisor will have the right and option, but not the obligation, to assume the Lease if any franchise agreement between Franchisor and Tenant is terminated for any reason during the term of the Lease. If any franchise agreement between Franchisor and Tenant is terminated and Franchisor desires to assume the Lease it may give written notice to Landlord requesting that Landlord specify any existing defaults by Tenant under the Lease. Within fifteen (15) days after receipt of such notice, Landlord will give Franchisor written notice specifying any existing defaults by Tenant under the Lease.

3.2 If any franchise agreement between Franchisor and Tenant is terminated, Tenant shall, within ten (10) days after written demand by Franchisor, assign all of its right, title and interest in the Lease to Franchisor. If Tenant fails to do so, Tenant hereby designates Franchisor as its agent to execute any and all documents, agreements and to take all action that may be necessary or desirable to effectuate the assignment of the Lease and the relinquishment of any and all of Tenant's right there under. Landlord consents to such assignment, subject to Franchisor executing an assumption of the Lease in form reasonably satisfactory to Landlord and

curing all defaults of Tenant under the Lease before taking possession of the Premises. Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at the written request of Franchisor. Any property not so removed by Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by Tenant.

3.3 Tenant agrees that termination of any franchise agreement for the Premises shall, at the option of Landlord, be a default under the Lease.

4. ADDITIONAL PROVISIONS

4.1 Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to Franchisor. Franchisor shall be entitled to recover from Tenant all amounts Franchisor pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

4.2 Prior to taking possession of the Premises pursuant to its rights under this Rider to Lease, Franchisor will cure the defaults specified by Landlord and execute and deliver to Landlord an assumption of the Tenant's rights and obligations under the Lease. Franchisor corporation will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant, except that Franchisor may elect not to assume or be bound by the terms of any amendment to the Lease executed by Tenant that was obtained without obtaining Franchisor's prior written approval.

4.3 In the event that Franchisor assumes Tenant's interest in the Lease, Franchisor will not be subject to any provision of the Lease that requires the Tenant to continuously operate a business in the Premises during any period that the business in the Premises is closed for remodeling or while the Franchisor is seeking to obtain and train a new franchisee to operate a franchised business in the Premises.

4.4 In the event that Franchisor assumes Tenant's interests in the Lease, Franchisor may with Landlord's consent sublet the Premises to a franchisee of Franchisor provided the Franchisor remains primarily liable under the Lease.

4.5 In the event that Franchisor assumes Tenant's interest in the Lease, Franchisor may assign this Lease so long as Franchisor remains liable for the payment of rent and the performance of Tenant's duties and

obligations under the Lease while Franchisor's assumption remains in effect. Franchisor may also, with the prior written consent of Landlord, assign without recourse its rights under the Lease. Landlord shall not unreasonably withhold its consent to an assignment to a franchisee of Franchisor who meets Franchisor's financial qualification requirements. Upon receipt by Landlord of an assumption agreement in form reasonably satisfactory to Landlord pursuant to which such franchisee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease, Franchisor shall be released from all liability as tenant under the Lease accruing after the date of the effective date of the assignment.

4.6 If the Lease or Franchise Agreement for the Premises is terminated and Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon written demand by Franchisor, to promptly remove signs, décor and other items which Franchisor reasonably requests be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Premises without being guilty of trespass or tort to affect such de-identification if Tenant fails to do so within ten (10) days after receipt of written demand from Franchisor. Tenant shall pay Franchisor for its reasonable cost and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Premises.

4.7 BY EXECUTING THIS RIDER TO THE LEASE, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION, AS HEREINABOVE DESCRIBED.

4.8 All notices hereunder shall be delivered by certified mail to the addresses described in the Lease or to such other address as any party hereto may, by written notice instruct that notices be given. In the case of Franchisor, notices should be sent to: Director of Location Development, 5145 Taravella Road, Marrero, Louisiana, 70072, until further notice.

[*SIGNATURE PAGE TO FOLLOW*]

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS LEASE OPTION RIDER TO BE EXECUTED AS OF THE DATE FIRST ABOVE WRITTEN.

WITNESS/ATTEST

_____	_____
	Landlord
_____	_____
	President
_____	_____
	Individually
_____	_____
	Tenant
_____	_____
	President
_____	_____
	Individually

PLANET BEACH® FRANCHISING CORPORATION

_____

By:

EXHIBIT 5
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

SOFTWARE LICENSE AGREEMENT

THIS AGREEMENT is entered into as of _____ ("Effective Date") by and between **SpaSynergy, LLC**, a Louisiana Corporation (**"SpaSynergy®"**), and _____ **("LICENSEE")** located at _____.

WHEREAS, LICENSEE wishes to license software for the purpose of point of sale, EFT drafting and data management and SpaSynergy, LLC desires to license this software to LICENSEE.

NOW THEREFORE, the parties hereto agree as follows:

1. GRANT OF LICENSE

Subject to the terms and conditions of the Agreement, SpaSynergy® grants to LICENSEE a non-exclusive, non-transferable license to use the software identified in Exhibit A (the "Licensed Programs") for the purpose of point of sale, EFT drafting and data management. LICENSEE may use the Licensed Programs in executable format for its own use. LICENSEE may not, however, transfer or sublicense the Licensed Programs to any third party, in whole or in part, in any form, whether modified or unmodified.

2. CONSIDERATION TO SPASYNERGY

LICENSEE shall pay, upon delivery of the Licensed Programs, the license fees set forth in Exhibit A attached hereto.

3. COPIES

LICENSEE may make copies of the Licensed Program in executable code form as necessary for use by LICENSEE and for backup or archive purposes. LICENSEE agrees to maintain records of the location and use of each copy, in whole or in part, of the Licensed Programs. Each Licensed Program is copyrighted but unpublished by SpaSynergy®**.** LICENSEE agrees to reproduce and apply the copyright notice and proprietary notice of SpaSynergy® to all copies made hereunder, in whole or in part and in any form, of Licensed Programs.

4. OWNERSHIP

The original and any copies of the Licensed Programs, made by LICENSEE, including translations, compilations, partial copies, modifications, and updates, are the property of SpaSynergy®.

5. PROPRIETARY RIGHTS

LICENSEE recognizes that SpaSynergy® regards the Licensed Programs as its proprietary information and as confidential trade secrets of great value. LICENSEE agrees not to provide or to otherwise make available in any form the Licensed Programs, or any portion thereof, to any person other than employees of LICENSEE without the prior written consent of SpaSynergy®**.** LICENSEE further agrees to treat the Licensed Programs with at least the same degree of care with which LICENSEE treats its own confidential information and in no event with less care than is reasonably required to protect the confidentiality of the Licensed Programs.

6. TERM

The license granted hereunder shall continue unless and until terminated pursuant to Section 7 hereof and subject to LICENSEE's proper performance of its obligations hereunder.

7. TERMINATION

SPASYNERGY may terminate this Agreement if LICENSEE is in default of any of the terms and conditions of this Agreement and fails to correct such default within ten (10) days after written notice thereof from SpaSynergy®. This Agreement may also be terminated in the event LICENSEE is required by contract to purchase or license some other software for the same or similar purpose of point of sale, EFT drafting and data management. By way of clarification, at the time this Agreement is executed, it is understood and agreed that LICENSEE has the right and obligation to use the software licensed by SpaSynergy®, pursuant to a Single Unit Franchise Agreement executed by and between LICENSEE (and/or its affiliates) and Planet Beach® Franchising Corporation.

8. TERMINATION CERTIFICATE

In the event of termination, LICENSEE will immediately discontinue use of the Licensed Programs. Within one (1) month after termination of this Agreement, LICENSEE will furnish to SpaSynergy® a certificate which certifies with respect to each of the Licensed Programs that, through its best effort and to the best of its knowledge, the original and all copies, in whole or in part and in any form, of each of the Licensed Programs have been destroyed. The provisions of Sections 4, 5, 8, 11, and 13 hereof shall survive any termination of this Agreement.

9. MAINTENANCE SUPPORT

SpaSynergy® will provide to LICENSEE the following support with respect to the Software:

a. In the case that LICENSEE has technical questions in the use of the Software, LICENSEE may submit those questions to SpaSynergy® via support ticket. SpaSynergy® shall provide consulting to answer such questions.

b. LICENSEE shall pay to SpaSynergy® the software fee(s) set forth in Exhibit A.

c. LICENSEE must have a HARDWIRED Local Area Network connection enabled to the Main Front Podium computer, (NOT a WIRELESS LAN) and the computer must be online at all times. If the connection is inactive for ten (10) consecutive days, access to your data may become limited.

d. SpaSynergy® will install TeamViewer on the LICENSEE's computer. TeamViewer will be used to provide technical support and any software updates to the LICENSEE. TeamViewer must be active at all times.

10. DELIVERY OF LICENSED PROGRAMS

SpaSynergy® shall use its best efforts to deliver the Licensed Programs promptly after receipt of the purchase order and export license (if required).

11. WARRANTY DISCLAIMER

SpaSynergy® licenses, and LICENSEE accepts, the licensed programs "AS IS." SpaSynergy® PROVIDES NO WARRANTIES AS TO THE FUNCTION OR USE OF THE LICENSED PROGRAMS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE AND LICENSEE EXPRESSLY DISCLAIMS ANY CLAIM FOR REDHIBITION. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE LICENSED PROGRAM IS WITH LICENSEE. SpaSynergy® DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE LICENSED PROGRAMS WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE OPERATION OF THE LICENSED PROGRAMS WILL BE UNINTERRUPTED OR ERROR FREE.

12. **PATENT AND COPYRIGHT INDEMNITY**

SpaSynergy® will defend at its own expense any action brought against LICENSEE to the extent it is based on a claim that the Licensed Programs used within the scope of the license granted hereunder infringe a United States patent, copyright or other proprietary right of a third party. SpaSynergy® will pay any costs, damages or attorney fees finally awarded against LICENSEE in such action which are attributable to such claim, provided SpaSynergy® is promptly notified in writing of such claim, may control the defense and/or settlement of such claim, and is provided with all requested assistance, information and authority. In the event that a Licensed Program becomes, or in SpaSynergy®'s opinion is likely to become, the subject of a claim of infringement of a United States patent, copyright or trade secret, SpaSynergy® may at its option either secure LICENSEE's right to continue using the Licensed Programs, replace or modify the Licensed Programs to make them not infringing.

13. LIMITATION OF LIABILITY

SpaSynergy®'s LIABILITY TO LICENSEE UNDER ANY PROVISIONS OF THIS AGREEMENT FOR DAMAGES FINALLY AWARDED SHALL BE LIMITED TO THE AMOUNTS ACTUALLY PAID HEREUNDER BY LICENSEE TO SpaSynergy®. IN NO EVENT SHALL SPASYNERGY BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF USE, LOSS OF PROFITS OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED OR ON ANY THEORY OF LIABILITY.

14. NOTICES

All notices in connection with this Agreement shall be in writing and may be given by certified, registered, or first-class mail or personally delivered at the address set forth on the front page. For purposes of this Agreement, a notice shall be deemed effective upon personal delivery to the party or if by mail five (5) days after proper deposit in a mail box.

15. SUCCESSORS

This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective representatives, successors and assigns except as otherwise provided herein.

16. SEVERABILITY

In the event any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall remain in force as if such provision were not a part.

17. GOVERNING LAW/FORUM

This Agreement shall be governed and interpreted by the laws of the State of Louisiana without regard to its conflicts of law, La. C.C. arts. 3515 et seq., and any amendments or revisions thereto. The parties expressly agree that any claim at law or in equity against either party to this agreement shall be commenced only in the 24th Judicial District Court for Jefferson Parish, Louisiana or the United States District Court for the Eastern District of Louisiana. at SpaSynergy®'s discretion. Both parties hereby consent to such personal and exclusive jurisdiction.

18. NON-ASSIGNMENT

This Agreement and the licenses granted by it may not be assigned, sublicensed, or otherwise transferred by LICENSEE without the prior written consent of SpaSynergy®.

19. EXPORT REGULATIONS

LICENSEE understands that SpaSynergy® is subject to regulation by agencies of the U.S. Government, including the U.S. Departments of Commerce and State, which prohibit export or diversion of certain technical products to certain countries.

LICENSEE warrants that it will comply in all respect with the export and re-export restrictions set forth in the export license for the Licensed Programs and all other applicable export regulations. LICENSEE agrees to indemnify and hold SpaSynergy®, harmless from any loss, damages, liability or expenses incurred by SpaSynergy® as a result of LICENSEE's failure to comply with any export regulations or restrictions.

20. ENTIRE AGREEMENT

This Agreement sets forth the entire understanding between the parties with respect to the subject matter hereof, and merges and supersedes all prior agreements, discussions and understandings, express or implied, concerning such matters. This Agreement shall take precedence over any additional or conflicting terms, which may be contained in LICENSEE's purchase order or SpaSynergy® 's order acknowledgment forms.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

LICENSEE:

By:_____(Signature)

Name:_____(Print or Type)

Title: _____

SPASYNERGY®:

By:_____(Signature)

Name:_____(Print or Type)

Title: _____

EXHIBIT A

LICENSED PROGRAMS

PROGRAM	Advanced Version Software/EFT Access Fee
SpaSynergy	$129.00 / month

EXHIBIT 6 TO

PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(for franchisee's spouse, trained employees, shareholders, officers, directors, partners, members and managers of Franchisee)

In consideration of my being a _____ of the designated Planet Beach® Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____, as Franchisee, has acquired the right and license from Planet Beach® Franchising Corporation (the "Company") to establish and operate a Planet Beach® Spa (the "Spa" or "Franchised Business") and the right to use in the operation of such Spa, the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Planet Beach Spas (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location (the "Approved Location"):

_____

_____

_____

2. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information").

3. Any and all information, knowledge, know-how, and techniques that the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

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

5. I will not acquire any interest in the Confidential Information, other than the right to

utilize it in the operation of the Franchised Business during the term hereof, and the use of duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree that I shall hold in strict confidence all Confidential Information and all other Information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as to the Franchisee and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchise and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for cessation or termination, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business selling any product or products which are the same as, or substantially similar to, any of the products or services offered by a Planet Beach location (except at a Planet Beach location), which is or is intended to be, located within: (1) the municipality and parish/county in which your Approved Location(s) and Protected Territory are located as identified in Exhibit A of the Agreement; (2) the parishes/counties where other Planet Beach® franchises in Franchisee's state are located on the effective date of this Agreement and in the future; and (3) any one of Louisiana's 64 parishes, including those parishes/counties and/or municipalities identified in Exhibit A.

   This restriction does not apply to my ownership of less than 5% beneficial interest in the outstanding securities of any publicly-held corporation.

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

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

10. The Company is an intended beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement. Nothing within this agreement shall be construed as creating an employer-employee relationship between the Company and the undersigned.

11. This Agreement shall be construed under the laws of the State of Louisiana without regard to its conflict of laws, La. Civ. Code arts. 3515 et seq., and any amendments and/or revisions thereto.

[*SIGNATURE PAGE TO FOLLOW*]

SIGNATURE PAGE TO CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

Signature: _____ Signature:_____

Name: _____ Name: _____

Address: _____ Address: _____

_____ _____

Title: _____ Title: _____

Witness: _____ Witness: _____

ACKNOWLEDGED BY FRANCHISEE:

By:

Name: _____

Title: _____

By:

Name: _____

Title: _____

EXHIBIT A TO CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

The covenants contained in paragraph 7 of the foregoing Confidentiality and Non-Competition Agreement shall apply to the following parishes/counties and/or municipalities:

(1) _____ (municipality(ies)) – Municipality(ies) in which Franchisee's Protected Territory and Approved Location as defined in the Franchise Agreement are located;

(2) _____ (Parish(es)/County(ies)) – Parish(es)/County(ies) in which Franchisee's Protected Territory and Approved Location as defined in the Franchise Agreement are located;

(3) _____ (Current Parish(es)/County(ies)) – Those parish(es)/county(ies) where other Planet Beach® and HOTWORX® franchises in Franchisee's state are currently located, as well as any Parish(es)/County(ies) in Franchisee's state that are opened in the future; and

(4) The following parishes in Louisiana: Acadia Parish, Allen Parish, Ascension Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Bossier Parish, Caddo Parish, Calcasieu Parish, Caldwell Parish, Cameron Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, DeSoto Parish, East Baton Rouge Parish, East Carroll Parish, East Feliciana Parish, Evangeline Parish, Franklin Parish, Grant Parish, Iberia Parish, Iberville Parish, Jackson Parish, Jefferson Parish, Jefferson Davis Parish, Lafayette Parish, Lafourche Parish, LaSalle Parish, Lincoln Parish, Livingston Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Orleans Parish, Ouachita Parish, Plaquemines Parish, Pointe Coupee Parish, Rapides Parish, Red River Parish, Richland Parish, Sabine Parish, St. Bernard Parish, St. Charles Parish, St. Helena Parish, St. James Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, St. Tammany Parish, Tangipahoa Parish, Tensas Parish, Terrebonne Parish, Union Parish, Vermillion Parish, Vernon Parish, Washington Parish, Webster Parish, West Baton Rouge Parish, West Carroll Parish, West Feliciana Parish, and Winn Parish.

EXHIBIT 7 TO
PLANET BEACH® FRANCHISING CORPORATION SINGLE UNIT FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENTOF FRANCHISEE'S TELEPHONE NUMBERS, E-MAIL ADDRESSES, SOCIAL MEDIA and OTHER URLs

1. _____, doing business as _____, ("Assignor"), in exchange for valuable consideration provided by Planet Beach® Franchising Corporation ("Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, social media accounts and pages, email addresses, and URLs utilized by Assignor in the operation of its Spa at Assignor's above-referenced address. Those numbers, email addresses, and URLs are as follows _____
_____
_____.
Assignor further expressly agrees that any telephone numbers, email addresses, social media accounts and pages, and URLs created in the future by the Assignor in connection with the Franchise Agreement or franchised business are also subject to this assignment.

2. The conditional agreement shall become effective automatically upon cessation or termination of Assignor's franchise. Upon the occurrence of that condition, Assignor shall do all things required by the respective provider to assure the effectiveness of the assignment of telephone numbers, email addresses, social media accounts and pages, and URLs as if the Assignee had been originally issued such telephone numbers, email addresses, social media accounts and pages, and other URLs and the usage thereof.

3. Assignor agrees to pay the respective provider on or before the effective date of assignment all amounts owed for the use of the telephone number(s), email addresses, social media accounts and pages, and URLs. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the respective provider to effectuate this agreement and agrees to fully cooperate in effectuating this assignment.

[SIGNATURE PAGE TO FOLLOW]

ASSIGNOR:

_____Date: _____

ASSIGNEE:

_____Date: _____

PLANET BEACH® FRANCHISING CORPORATION

By: _____ Date: _____

EXHIBIT 8 TO
PLANET BEACH® FRANCHISING CORPORATION
SINGLE UNIT FRANCHISE AGREEMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

(Note: Dates and answers must be completed in the Prospective Franchisee's own handwriting.)

1. The date of my first face-to-face meeting with a Planet Beach Franchise Marketing Representative to discuss the possible purchase of a Franchise.

_____, 20___

Franchisee's Initials _____

2. The date on which I received a Franchise Disclosure Document about the Planet Beach® Spa Franchise.

_____, 20___

Franchisee's Initials _____

3. The date when I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed.

_____, 20___

Franchisee's Initials _____

4. The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt page).

_____, 20___

Franchisee's Initials _____

5. The earliest date on which I delivered cash, check or other consideration to the Franchise Marketing Representative, broker, Planet Beach® Franchising Corporation ("Franchisor") or any other person or company.

_____, 20___

Franchisee's Initials _____

Representations:

No promises, agreements, contracts, commitments, understandings, "side-deals", options, rights of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or otherwise), nor have I relied in any way on any such except as expressly set forth in the Franchise Agreement, written Option Agreement, or written addendum signed by me and the President of Franchisor except as follows:

_____

_____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No oral, written or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicted, expanded upon or was inconsistent with the Franchise Disclosure Document or the Franchise Agreement was made to me by any person or entity, except as follows:

_____

_____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No oral, written or visual claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations) which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) was made to me by any person or entity, except as follows:

_____

_____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

Franchisee's Initials _____

No contingency, condition, prerequisite, prior requirement, proviso, reservation,

impediment, stipulation, provision or otherwise exists with respect to any matter (including but not limited to obtaining financing, selection, purchase, lease or otherwise of a site, operational matters or otherwise) and/or with respect to my fully performing all of my obligations under the Franchise Agreement and/or any other documents to be executed by me nor have I relied in any way on any such, except as expressly set forth in a writing signed by me and the CEO of Franchisor, except as follows:

_____

_____

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)

_____

Franchisee's Initials _____

I hereby understand that there will be no refunds. Franchisee's Initials _____

Franchisor does not make or endorse nor does it allow any marketing representative, broker or other individual to make or endorse any oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations except for the information stated in Item 19 of the Franchise Disclosure Document) which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) with respect to this or any other franchise, whether made on behalf of or for Franchisor, any Franchisee or other individual and expressly disclaims any such information, data or results.

In addition, Franchisor does not permit any promises, agreements, contracts, commitments, understandings, "side-deals", options, rights-of-first-refusal or otherwise or variations of, changes in or supplements to the Franchise Agreement or the existence of any contingencies or conditions to Franchisee's obligations except by means of a written addendum signed by Franchisee and Franchisor.

If any such representations, "side-deals", contingencies or otherwise have been made by you by any person or otherwise exist, immediately inform the CEO of Franchisor.

The prospective franchisee understands and agrees to all of the foregoing and certifies that all of the above statements are true, correct and complete.

[SIGNATURE PAGE TO FOLLOW]

FRANCHISEE:

_____

Dated:_____

FRANCHISEE:

_____

Dated:_____

All of the above is true, correct and complete to the best of my knowledge, information and belief.

_____
Franchise Marketing Representative

APPROVED:

PLANET BEACH® FRANCHISING CORPORATION

By: _____

_____

EXHIBIT G

PLANET BEACH® FRANCHISING CORPORATION
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") entered into this _____ day of _____, 20___ (“Effective Date”), between Planet Beach® Franchising Corporation, a Delaware corporation, with a principal address at 5145 Taravella Road, Marrero, Louisiana 70072 (hereafter "PBFC" or “Franchisor”), and _____(hereafter "you" or “Franchisee” or “Developer”).

Background

A. Contemporaneous with or prior to the execution of this Agreement, you and PBFC have entered into a Single Unit Franchise Agreement (the "First Franchise Agreement") for the right to establish and operate a single Planet Beach® automated spa (the "First Spa") and remitted the Initial Franchise Fee.

B. PBFC offers certain franchisees the right and option to open and operate additional PBFC spas (the "Additional Spas") during the term of the option period (defined below) and otherwise upon the terms and conditions of this Agreement.

C. You wish to purchase an option to establish and operate Additional Spas under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Agreement

1. **Grant of Option**. In consideration of your payment to PBFC of a $_____ option fee (the "Option Fee"), which is due and payable upon your execution of this Agreement, PBFC grants you the right and option to establish and operate _____Additional Spas under the terms and conditions of this Agreement (the “Option”). This Option Fee is deemed fully earned upon payment and is nonrefundable.

2. **Eligibility**. You must remit this Option Fee(s) upon execution of the First Franchise Agreement or at such time as Franchisor in its sole discretion permits.

3. **Option Period**. Time is of the essence for development. If you fail to meet the development schedule listed in Appendix A, your corresponding option and any and all other subsequent options shall be automatically forfeited. However, if Franchisee decides to forfeit an option but wishes to preserve any or all other subsequent options, it must provide Franchisor with advance written notice within 6 months from the opening of the immediately preceding location. For example, if Franchisee decides to forfeit its first option but wishes to preserve its second option, it must send written notification of such intent to Franchisor within

180 days of the opening of its first spa location. Upon receipt of such notice, Franchisee will have an additional 180 to execute a then-current Franchise Agreement for the preserved option. Failure to timely execute any Franchise Agreement (whether in accordance with Appendix A or a preserved option) will result in the forfeiture of the corresponding option and any and all other subsequent options, unless you request in writing an extension that is approved in writing by PBFC. PBFC has the right to grant an extension in its sole discretion.

4. **Exercise of Option**. In order to exercise your option for each Additional Spa you must satisfy all of the following conditions, upon the exercise of each option:

   4.1. You submit a written request to Franchisor advising that Developer wishes to exercise their option and provide Franchisor with Developer's written plan for financing subsequent license;

   4.2. Execute a new and then-current franchise agreement ("Additional Franchise Agreement(s)") for each of your Additional Spas, each with its own Data Sheet and Approved Location and Territory Addendum;

   4.3. You are not in default under this Agreement, or any other agreement with PBFC and/or its affiliates, including any other franchise agreement or development agreement and have fully and faithfully performed all of your obligations under any such agreements throughout their respective terms;

   4.4. Neither this Agreement, the First Franchise Agreement or any other agreement with you has expired or been terminated by PBFC and/or its affiliate(s);

   4.5. You have timely paid any fees or other monies due to PBFC as and when they become due under the terms of the First Franchise Agreement or any other agreement with PBFC;

   4.6. There has been no change in the effective control of you (by way of change in share ownership, membership or partnership interest, or otherwise) without PBFC's written consent; and

   4.7. You and Your Designated Spa Director have successfully completed Planet Beach University On-line certifications and all required training.

Your Options may be applied only to opening a new Spa and may not be applied to already existing locations.

5. If You fail to sign an Additional Franchise Agreement before engaging a real estate broker for consideration of Additional Spas or initiating any form of lease negotiations, PBFC may impose a $5,000 fee due immediately upon notice from PBFC;

6. **Sale or Assignment.** Your rights under this Agreement are personal and you may not sell, transfer, or assign any right granted herein. Notwithstanding the foregoing, if you are an individual or a partnership, you have the right to assign your rights under this Agreement to a corporation or limited liability company upon the same terms and conditions as provided in Section 21 of the First Franchise Agreement. PBFC has the right to assign this Agreement in whole or in part in its sole discretion.

7. **Transfer of Development Area.** In the event that You elect to transfer and Franchisor approves the transfer of Your option(s) from one development area to another development area, then a $5,000 transfer fee will be assessed.

8. **Policies and Procedures.** Developer understands and agrees that this Agreement incorporates by reference PBFC's policies, procedures, standards, specifications or manuals as set forth under the Operations Manual, including but not limited to the Location Selection Policy. Developer agrees to comply with all such policies, procedures, standards, specifications or manuals. PBFC reserves the right to change its policies, procedures, standards, specifications or manuals at PBFC's sole discretion.

9. **Acknowledgment**. You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Proprietary Marks of PBFC or its affiliates or the System.

10. **Notices**. All notices, requests and reports to be given under this Agreement shall be both by e-mail with a confirming receipt and in writing to PBFC's address by either prepaid overnight mail, or certified mail return receipt requested. Any required notices by PBFC under this Agreement will be sent to the addresses or email address set forth in the First Franchise Agreement Data Sheet (which may be changed by written notice).

11. **Governing Law.** This Agreement shall be deemed to have been made in the State of Louisiana and shall be construed according to the laws of Louisiana without regard to its conflict of laws, La. Civ. Code arts. 3515 et seq., and any amendments and/or revisions thereto.

12. **Internal Dispute Resolution. Before commencing any legal action against PBFC or its Affiliates with respect to any claim or dispute, you must submit a written notice of dispute which specifies, in detail, the precise nature and grounds of such claim or dispute to PBFC. If you are in a territory with a Regional Developer, you must first submit the claim directly to your Regional Developer prior to engaging PBFC. Resolution of your dispute may involve an external, neutral Ombudsman at PBFC's discretion. If your claim or dispute cannot be resolved, you must agree to a meeting between you, your attorney if you have retained one, a corporate representative from PBFC and the PBFC's counsel prior to engaging in mediation as set forth in Section 13. This meeting may occur via a virtual face-to-face platform. You must exhaust these internal dispute resolution procedures before proceeding to mediation.**

13. **Mediation.** In the event any claim or dispute is not resolved under Section 12 and at PBFC's sole discretion, all claims or disputes between you and PBFC and/or its Affiliates arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mediation, in the Parish of Jefferson, Louisiana. The parties shall equally share the costs of the mediator's fees.

14. **Arbitration.** In the event any claim or dispute is not resolved under Sections 12 and/or 13 and at PBFC's sole discretion, all disputes and claims relating to this Agreement or any other agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Jefferson Parish, Louisiana in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed by the Federal Arbitration Act, as amended. Any discovery to be conducted under any proceeding hereunder shall be conducted pursuant to the Federal Rules of Civil Procedure. The following shall supplement and, in the event of a conflict, shall govern any arbitration: If the claim is for less than $35,000 than the matter shall be heard before a single arbitrator. If the claim, or a counterclaim, is for $35,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a "neutral" arbitrator from the AAA's list of arbitrators. Arbitrability will be decided by the arbitrator. Neither party shall pursue class action claims, mass action claims and/or consolidate the arbitration with any other proceeding to which PBFC and/or its Affiliates are a party. Each party must bear its own costs of arbitration including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by PBFC and you.

    Whether the matter is heard by a single arbitrator or three, the arbitrator's award shall be rendered within seven (7) days of the close of the hearing. Notwithstanding the foregoing, if PBFC is the prevailing party, the arbitrator's award shall include all PBFC's fees, costs and attorneys' fees. The arbitrators shall have no authority to amend or modify the terms of this Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Eastern District of Louisiana and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

15. **Third Party Beneficiaries.** PBFC's officers, directors, shareholders, agents, employees and/or affiliates are express third-party beneficiaries of this Agreement and the mediation and arbitration provisions contained herein, each having authority to

specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

16. **Injunctive Relief.** Nothing contained in this Agreement herein shall prevent PBFC from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and to protect PBFC's interest prior to instituting internal dispute resolution procedures, mediation, and the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration proceeding conducted hereunder.

17. **Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration and excepting the provisions contained in Section 16 regarding injunctive relief, the parties agree that any action at law or in equity instituted against either party to this Agreement shall be commenced only in the 24th Judicial District Court for the Parish of Jefferson, Louisiana or the United States District Court for the Eastern District of Louisiana at PBFC's discretion.

18. **Jury Trial Waiver.** With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from PBFC of the franchise, Option and/or any goods or services.

19. **Waiver of Punitive Damages**. You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against PBFC, its affiliates, successors or assigns, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

20. **Class Action Waiver.** You hereby agree to waive any class action proceeding, mass action proceeding or counterclaim against PBFC, its affiliates, successors or assigns, whether at law or equity, regardless of which party brings suit. This waiver shall apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or your purchase from PBFC, its affiliates, successors or assigns of the franchise and/or any goods or services.

21. **Attorneys' Fees.** If either party institutes any judicial or arbitration proceeding to enforce any monetary or non-monetary obligation or interpret the terms of this

Agreement and PBFC prevails in the action or proceeding, you shall be liable to PBFC for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

22. **Nonwaiver.** PBFC's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of PBFC's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by PBFC respecting any breach or default shall not affect PBFC's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. PBFC's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

23. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, PBFC reserves the right to terminate this Agreement.

24. **Construction of Language.** Any term defined in the First Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the First Franchise Agreement. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

25. **Successors**. References to "PBFC" or "you" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 6 of this Agreement.

26. **Additional Documentation.** You must from time to time, subsequent to the date first set forth above, at PBFC's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as PBFC may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that you fail to comply with the provisions of this Section, you hereby appoint PBFC as your attorney-in-fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.

27. **No Right to Offset.** You may not withhold all or any part of any payment to PBFC or

any of its affiliates on the grounds of the alleged nonperformance of PBFC or any of its affiliates or as an offset against any amount PBFC or any of its affiliates may owe or allegedly owe you under this Agreement or any related agreements.

28. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning the purchase and exercise of the Option; no promises, inducements or representations (other than those in the Franchise Disclosure Document) have been made, nor shall any be of any force or effect, or binding on the parties. Nothing in this or any related agreement, however, is intended to disclaim the representations PBFC made in the Franchise Disclosure Document that PBFC furnished to You. Modifications of this Agreement must be in writing and signed by both parties. In the event of a conflict between this Agreement and any Additional Franchise Agreement(s), the terms, conditions and intent of the Additional Franchise Agreement shall control.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

PLANET BEACH® FRANCHISING CORPORATION:

By: _____
Its: _____
Date: _____

This Agreement is not fully executed until signed by the CEO or President of Planet Beach® Franchising Corporation.

FRANCHISEE:

By: _____ _____
Its: _____
Date: _____

Franchisee Witness: _____

Franchisee Witness: _____

APPENDIX "A"

AREA DEVELOPMENT AGREEMENT ADDENDUM

1. Development Area:

_____

_____

_____

_____

Your above-described development area ("Development Area") represents the geographic area within which your future Planet Beach® Spa(s), provided you timely exercise your option to develop such Spa(s), will be located.

The Development Area is non-exclusive. PBFC shall have the right to develop and operate Planet Beach® Spa(s) in the Development Area and to grant franchise licenses to others (including through area development agreements), who will operate Planet Beach® Spa(s) in the Development Area. PBFC reserves the right to, at any time, re-assess development areas, including the number of licenses to be granted within any development area.

The scope of any protected territory for your Spa location(s) shall be determined upon the execution of your future lease and defined in accordance with each applicable Franchise Agreement.

2. Number of PBFC® Spa(s) to be opened in the Development Area, inclusive of spa under the First Franchise Agreement: _____

3. Principal trademark: Planet Beach®

4. Development Fee: _____

5. Development Schedule: You acknowledge and agree that a material provision of this Area Development Agreement is that the following number of PBFC® Spas must be opened in the Development Area in accordance with the following Development Schedule:

Planet Beach® Location Number	Date by Which Franchise Agreement Must Be Signed	Date by Which the Planet Beach® Spa Must Be Opened by You in the Development Area	Cumulative Number of Planet Beach® Spa to be Opened in the Development Area as of the Date in Proceeding Column
1	(Date of this Agreement)	275 days from the effective date of the First Franchise Agreement	1
2	272 days from opening	275 days from the	2

	the first location	effective date of the Second Franchise Agreement	
3	272 days from opening the second location	275 days from the effective date of the Third Franchise Agreement	3

For purposes of determining compliance with this Development Schedule, only the Planet Beach® Spas you actually open and continuously operate in the Development Area for at least the first six (6) months after opening will be counted toward the number of Planet Beach® Spas required to be open and operated by you.

IN WITNESS WHEREOF, we and you have signed this Agreement as of the Effective Date set forth above.

FRANCHISOR:

Planet Beach® Franchising Corporation

_____

By: _____

Its: _____

DEVELOPER:

_____ _____ _____

By: _____ By: _____ By: _____

Its: _____ Its: _____ Its: _____

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE AREA DEVELOPMENT AGREEMENT

In consideration of the execution of the Area Development Agreement (the "Agreement") between PLANET BEACH FRANCHISING CORPORATION ("we" or "us") and _____ (the "Developer"), dated _____, and for other good and valuable consideration, the undersigned, surety and guarantor for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby agree to unconditionally guarantee the performance of the above-named Developer for all obligations under the Agreement ("Personal Guaranty").

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an Area Development Agreement containing the identical terms and conditions of this Agreement.

The undersigned waives (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

In addition, the undersigned consents and agrees: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Developer or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or enforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty will apply to all modifications to the Agreement of any nature agreed to by Developer with or without the undersigned receiving notice thereof. It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

DEVELOPER: _____

PERSONAL GUARANTORS:

_____ Individually	_____ Individually
_____ Print Name	_____ Print Name
_____ Address	_____ Address
_____ City State Zip Code	_____ City State Zip Code
_____ Telephone	_____ Telephone

EXHIBIT H
PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

TERMINATION OF FRANCHISE AGREEMENT AND RELEASE UPON TRANSFER TO AN AUTHORIZED FRANCHISEE

This Termination of Franchise Agreement and Release (the "Agreement") is made effective this _____day of _____, 20__ by and between Planet Beach® Franchising Corporation, a Delaware corporation, with its principal offices at 5145 Taravella Road, Marrero, Louisiana 70072 ("PBFC") and _____ ("Transferor(s)") and _____ ("Transferee(s)").

BACKGROUND

A. On or about_____, Transferor(s) entered into a franchise agreement (the "Franchise Agreement") with PBFC for the right to operate a Planet Beach® Spa (the "Spa").

B. Transferor(s) has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the Spa located at_____ _____, to Transferee(s), who has been approved by PBFC.

C. Transferor(s) agrees to pay all royalties, national advertising, fees and any and all open invoices incurred while the franchise was under its ownership. Upon execution of this Agreement, Transferee(s) agrees to assume all obligations of Transferor(s)'s Franchise Agreement, including but not limited to payments of royalties and fees and agrees to assume responsibility for any unpaid amounts due from Transferor(s).

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between PBFC and Transferor(s) arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that

Transferor(s) shall remain bound by all of the post-termination covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to the Confidential Operations Manual, Confidential Information, Covenants, Confidentiality, Non-Competition Agreement and Indemnification Agreement (Section 5, 12, 18, 19, 24 and Exhibit 6).

3. Transferor(s) represents and warrants that all of Transferor(s)'s monetary obligations to PBFC and its subsidiaries and affiliates will be satisfied immediately upon execution of this Agreement.

4. Transferor(s), for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge PBFC and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "PBFC Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the PBFC Releasees including but not limited to any claims arising out of or in any way related to the Franchise Agreement, including but not limited to the sale of the Franchise Agreement, the development or operation of any PBFC spa, Franchise Fees, and/or Franchisee's association with Franchisor and the PBFC franchise system..

5. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement and may not be subject to any modification without the written consent of the parties.

6. This Agreement shall be construed under the laws of the State of Louisiana, which laws shall control in the event of any conflict of law.

7. This Agreement shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

8. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

9. In the event that PBFC retains the services of legal counsel to enforce the terms of this Agreement, it shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

10. Transferor(s) agrees that it has and had a relationship with PBFC at its offices in

Louisiana and that, with the exception of PBFC's right to seek injunctive relief in any appropriate jurisdiction, any action by or against PBFC arising out of or relating to this Agreement shall be commenced and concluded in the State of Louisiana pursuant to the mediation, arbitration, venue, and jurisdiction provisions of the Franchise Agreement.

11. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed electronic and facsimile copies of this Agreement shall be deemed to be effective as original signatures.

[SIGNATURE PAGE TO FOLLOW]

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS.

PLANET BEACH® FRANCHISING CORPORATION:

Witness: _____ **By:** _____

TRANSFERORS:

Witness: _____ **By:** _____

Witness: _____ **By:** _____

TRANSFEREES:

Witness: _____ **By:** _____

Witness: _____ **By:** _____

EXHIBIT I

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIALITY AGREEMENT

I,_____, in consideration of the approval by Planet Beach® Franchising Corporation ("PBFC"), in acknowledging that I will be provided access to certain confidential information including, without limitation, certain manuals, the Operations Manual and/or other information relating to the operation of a Planet Beach® franchise ("Confidential Information") before completing my contemplated purchase of such franchise, hereby agree to maintain the confidentiality of all such Confidential Information in recognition that such information is confidential and is divulged only to Planet Beach® franchisees. In the event that I am unable to consummate the contemplated purchase of the Planet Beach® franchise or to otherwise become a Planet Beach® franchisee, I shall not disclose any of this information to any other person. I further represent and warrant that I shall not use such Confidential Information in any other capacity except as an authorized Planet Beach® franchisee. I hereby acknowledge that I shall not reproduce any of the Confidential Information being entrusted to me today, nor shall I make any oral or written notes regarding any of the information contained therein.

I acknowledge and agree that disclosure or unauthorized use of any of the Confidential Information presented to me is likely to cause PBFC immediate and irreparable harm, which is not compensable in money damages. I hereby consent, in the event of my unauthorized use or disclosure of such Confidential Information, to the entry of injunctive relief in favor of PBFC, including temporary restraining orders and preliminary injunctions, without the requirement of bond.

I HAVE READ THE ABOVE CONFIDENTIALITY AGREEMENT AND UNDERSTAND ITS TERMS.

Dated: _____ By:_____

Dated: _____ By:_____

EXHIBIT J

PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT

STATE TANNING AND AIR BRUSH TANNING REGULATORS

State Tanning Regulators	
ALABAMA Department of Public Health (334) 206-5391 201 Monroe St., Suite 700 Montgomery, AL 36104	**COLORADO** Department of Public Health and Environment Consumer Protection Division (303) 692-3620 4300 Cherry Creek Drive, S. Denver, CO 80222
Jefferson County, AL – (205) 930-1206 This County lets Spas know what to expect, and which regulations they will enforce, and then within 30 days comes out, performs inspection and gives Spa a score. No training requirements. Common citations are cleanliness, exceeding tanning time and errors on client records.	**ALASKA** Dept. of Health and Social Services Section of State Laboratories Radiological Health Program (907) 334-2107 4500 Boniface Parkway Anchorage, AK 99507-1270
ARIZONA Radiation Regulatory Agency (602) 255-4845 4814 S. 40th St. Phoenix, AZ 85040 *www.arra.state.az.us*	**DELAWARE** Division of Public Health-HSP Office of Radiation Control (302) 739-3787 Jesse Cooper Building P.O. Box 637 Dover, DE 19903
CALIFORNIA Department of Consumer Affairs Barbering and Cosmetology Program Enforcement Division (916) 445-0713 400 R St., Suite 4080 Sacramento, CA 95814	**FLORIDA** Department of Health Bureau of Facility Program Environmental Specialist (850) 487-0004 2020 Capitol Circle, S.E., Bin #A08 Tallahassee, FL 32399-1710
NEVADA Radiological Health Section (702) 687-5394, ext. 276 1179 Fairview, Suite 102 Carson City, NV 89701-5405	**GEORGIA** Governor's Office of Consumer Affairs (404) 656-3790 2 Martin Luther King Jr. Drive, S.E., Suite 356 East Tower Atlanta, GA 30334

IDAHO Department of Health and Welfare Division of Health Bureau of Laboratories (208) 334-2235 or 208-334-5879 2220 Old Penitentiary Road Boise, ID 83712	**LOUISIANA** Dept. of Health and Hospitals Food and Drug Unit (225) 763-5484 6867 Bluebonnet Blvd. Baton Rouge, LA 70810
ILLINOIS Department of Public Health Division of Food, Drugs and Dairies (217) 782-7532 525 W. Jefferson Springfield, IL 62761-0001 *http://www.legis.state.il.us/ilcs/ch210/ch210act1 45.html*	**INDIANA** Professional Licensing Agency (317) 232-7215 302 W. Washington St., Room E304 Indianapolis, IN 46204-2700
KANSAS Board of Cosmetology (785) 296-3155 2708 N.W. Topeka Blvd. Topeka, KS 66617-1139	**NEW YORK** Department of Health Bureau of Environmental Radiation Protection (518) 458-6476 2 University Place, Room 325 Albany, NY 12203
MISSISSIPPI Division of Radiological Health (601) 987-6893 3150 Lawson St. Jackson, MS 39213	**MINNESOTA** Food and Drug Administration Compliance Officer (612) 334-4100 240 Hennepin Ave. Minneapolis, MN 55401
NORTH CAROLINA Dept. of Environment and Natural Resources Division of Radiation Protection (919) 571-4141 3825 Barrett Drive Raleigh, NC 27609-7221	**NEW MEXICO** Environmental Department Hazardous and Radioactive Materials Bureau (505) 827-1557 P.O. Box 26110 2044 Galisteo St., Building A Santa Fe, NM 87502
NEW HAMPSHIRE Dept. of Health and Human Services Division of Public Health Services Office of Health Management Contact: Dianne Luby, Director Contact: Terry Tomlin, Tanning Coordinator (603) 271-4501 6 Hazen Drive Concord, NH 03301	**OHIO** Board of Cosmetology (614) 644-6134 101 Southland Mall 3700 S. High St. Columbus, OH 43207-4041

WISCONSIN Department of Health and Family Services Division of Public Health Radiation Protection Section (608) 267-4784 P.O. Box 309 Madison, WI 53701-0309	**TENNESSEE** Division of Consumer Affairs (615) 741-4737 500 James Robertson Parkway, 5th Floor Nashville, TN 37243-0600
OREGON Health Division Radiation Protection Services (503) 731-4014, ext. 659 800 N. E. Oregon, No. 21 Portland, OR 97232	**TEXAS** Dept. of Health, Drugs and Medical Devices Division (512) 719-0237 1100 W. 49th Street Austin, Texas 78756
PENNSYLVANIA Bureau of Radiation Protection Division of Radiation Control (717) 783-5920 P.O. Box 8469 Harrisburg, PA 17105-8469	**UTAH** Dept. of Environmental Quality Division of Radiation Control (813) 536-4250 P.O. Box 144850 168 N. 1950 W. Salt Lake City, UT 84114-4850
SOUTH CAROLINA Dept. of Health and Environmental Control Bureau of Radiological Health (803) 737-7404 2600 Bull Street Columbia, SC 29201	**WASHINGTON** State Dept. of Health Radiation Protection (360) 236-3237 P.O. Box 47827 Olympia, WA 98504-7827

EXHIBIT K

PLANET BEACH ® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

Important Notice: Planet Beach® Franchising Corporation's Franchise Disclosure Document ("FDD") contains information required by the Federal Trade Commission and the states included in the following addenda. This information is being provided to you at the same time as the FDD and must be reviewed in conjunction with the FDD.

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

THISE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

~~This addendum includes numerous disclosures required by the State of California. To the extent these disclosures are preempted by federal law or any other law, these disclosures may not be enforceable. Therefore, prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of a franchise agreement, including but not limited to those restricting venue to a forum outside the State of California and those limiting the use of arbitration.~~

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 *et seq.* the Franchise Disclosure Document for PLANET BEACH® Franchising Corporation for use in the State of California shall be amended as follows:

~~The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:~~

1. ~~The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.~~

2. ~~**Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.~~

3. ~~There may be other risks concerning this franchise.~~

Items 2 and 3 of the FDD is supplemented to include the following:

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

Item 17 of the FDD shall be supplemented to include the following:

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

To the extent the franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages may be unenforceable.
The franchise agreement requires binding arbitration. The arbitration will occur in Jefferson Parish, Louisiana and at a site identified in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA") with the costs being borne by each party, including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee shall be shared equally by Planet Beach and franchisee and, notwithstanding the foregoing, if Planet Beach is the prevailing party, all costs and fees, including attorney's fees shall be included as part of the arbitrator's award. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

~~The franchise agreement may require binding arbitration if other methods of resolution are unsuccessful.~~

~~Pursuant to the franchise agreement, at PBFC's option, all disputes and claims relating to this Agreement or any ancillary agreement entered into between the parties, the rights and obligations of the parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall be settled by arbitration in Jefferson Parish,~~

~~Louisiana in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Any arbitration proceeding, or any claim in arbitration (including any defense and any claim of setoff or recoupment), must be brought or asserted before the expiration of the earlier of (1) the time period for bringing an action under any applicable state or federal statute of limitation; (2) 1 year after the date upon which a party discovered or should have discovered, the facts giving rise to an alleged claim; or (3) 2 years after the first act or omission giving rise to an alleged claim. Claims of Franchisor attributable to the underreporting of sales and claims of the parties for indemnification shall be subject only to the applicable state or federal statute of limitation.~~

~~The franchise agreement requires legal proceedings, including binding arbitration, to occur in Jefferson Parish, Louisiana with each party bearing its own cost of arbitration including, but not limited to, the fee for their respective arbitrator; provided, however, that the neutral or single arbitrator's fee shall be shared equally by both parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside the State of California.~~

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

The franchise agreement requires application of the laws of the State of Louisiana and that the venue for any dispute shall be in the State of Louisiana. This provision may not be enforceable under California law.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to a solicitation of a proposed material modification of an existing franchise.

The franchise agreement requires you sign a release if you transfer your franchise. This franchise agreement provision may not be enforceable under California law. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business Professions Code 2000 through 20043).

The franchise agreement contains a waiver of punitive damages and jury trial, these provisions may not be enforceable.

Item 19:

To the extent that the Franchised Outlets Financial Performance Representations of the franchise disclosure document contain financial representations that do not reflect the cost of sales, operating expenses or other costs of expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit compared to the franchised outlets, you should conduct an independent investigation of the costs and expenses you will include in operating your Planet Beach® outlet. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION (DFPI) at www.dfpi.ca.gov.

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

For franchises and franchisees subject to the Hawaii Franchise Disclosure Law the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® Franchising Corporation Franchise Disclosure Document.

Item 5 and Item 7 of the disclosure document are amended to include the following disclosure:

> The State of Hawaii 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 and the Planet Beach® location has opened.

Item 21 of the disclosure document is amended to include the following disclosure:

> OVER THE LAST THREE FISCAL YEARS THE FRANCHISOR HAD NET INCOME OF $1,325,024 IN 2020, NET INCOME OF $513,039 IN 2019 AND A NET INCOME OF $167,396 IN 2018, RESULTING IN STOCKHOLDERS' EQUITY OF $499,033 AS OF THE 2020 FISCAL YEAR END.

Item 8 of the disclosure document is amended to include the following disclosure:

The Hawaii Franchise Investment Law, HI Rev. Stat. § 482E-6(2)(B), governing the relationship between a franchisor or subfranchisor and its franchisee, makes an unfair or deceptive act or practice or an unfair method of competition for a franchisor or subfranchisor to require a franchisee to purchase or lease goods or services of the franchisor or from designated sources of supply unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds. Suppliers suggested or approved by a franchisor as meeting its standard as meeting its standards and requirements shall not be deemed designed sources of supply. To the extent any provisions of the Franchise Agreement or business practices of PLANET BEACH® Franchising Corporation conflict with Hawaii law, Hawaii's laws will control.

The Hawaii Franchise Investment Law, HI Rev. Stat. § 482E-6(2)(D), governing the relationship between a franchisor or subfranchisor and its franchisee, makes an unfair or deceptive act or practice or an unfair method of competition for a franchisor to obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless the franchisor advises the franchisee in advance of the franchisor's intention to receive such benefit. To the extent any provisions of the Franchise Agreement or business practices of PLANET BEACH® Franchising Corporation conflict with Hawaii law, Hawaii's laws will control.

Item 12 of the disclosure document is amended to include the following disclosure:

The Hawaii Franchise Investment Law, HI Rev. Stat. § 482E-6(2)(E), governing the relationship between a franchisor or subfranchisor and its franchisee, makes an unfair or deceptive act or practice or an unfair method of competition for a franchisor to establish a similarly business or to grant a franchise for the establishment of a similar business at a location within a geographic area specifically designated as the exclusive territory in a franchise previously granted to another franchisee in a currently effective agreement, except under the circumstances or conditions prescribed in such agreement. To the extent any provisions of the Franchise Agreement or business practices of PLANET BEACH® Franchising Corporation conflict with Hawaii law, Hawaii's laws will control.

Item 17 of the disclosure document is amended to include the following disclosure:

The Hawaii Franchise Investment Law, HI Rev. Stat. § 482E-6(2)(E), governing the relationship between a franchisor or subfranchisor and its franchisee, makes an unfair or deceptive act or practice or an unfair method of competition for a franchisor to refuse to permit a transfer of ownership of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, except for good cause. For purposes of this paragraph good cause shall include, but not be limited to:

(i) The failure of a proposed transferee to meet any of the franchisor's or subfranchisor's reasonable qualifications or standards then in effect for a

franchisee or subfranchisor;

(ii) The fact that the proposed transferee or any affiliated person of the proposed transferee is a competitor of the franchisor or subfranchisor;

(iii) The inability or unwillingness of the proposed transferee to agree in writing to comply with and be bound by all lawful obligations imposed by the franchise, including without limitation all instruction and training obligations, and to sign the current form of franchise agreement used by the franchisor or subfranchisor; and

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor and to cure any default in the franchise agreement or other agreements with the franchisor existing at the time of the proposed transfer.

A franchisor or subfranchisor shall have thirty days (30 days) after being notified in writing of a proposed transfer to approve or disapprove in writing a proposed transfer of ownership or control of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, stating its reason for disapproval. If a franchisor or subfranchisor fails to approve or disapprove a proposed transfer in writing within such period, the franchisor or subfranchisor shall be deemed to have approved such transfer.

To the extent any provisions of the Franchise Agreement or business practices of PLANET BEACH® Franchising Corporation conflict with Hawaii law, Hawaii's laws will control.

The Hawaii Franchise Investment Law, HI Rev. Stat. § 482E-6(2)(F), governing the relationship between a franchisor or subfranchisor and its franchisee, makes an unfair or deceptive act or practice or an unfair method of competition for a franchisor to require a franchisee at the time of entering into a franchise to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by the Hawaii Franchise Investment Law. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of the Hawaii Franchise Investment Law or a rule promulgated hereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under this chapter.

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

For franchises and franchisees subject to the Illinois Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® FRANCHISING CORPORATION Franchise Disclosure Document and the Franchise Agreement attached thereto.

This Amendment shall pertain to franchises sold in the State of Illinois and shall be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement ("Agreement") and/or the Area Development Agreement ("ADA") to the contrary, the Agreement shall be amended as follows:

(a) Section 25.1 of the Agreement entitled "Governing Law" and 25.4 entitled "Arbitration" and Section 9 of the ADA entitled "Governing Law" shall be supplemented as follows:

Illinois franchisees are allowed access to Illinois courts. Any provision in this Agreement that provides for a choice of law provision for any state other than Illinois is void. 14 Ill. Adm. Code 200.608. Any provision in this Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void, provided that a franchise agreement may provide for arbitration in a forum outside of the State of Illinois. Illinois Franchise Act, 815 Ill. Comp. Stat. Ann. 705/4.

(b) Section 25.7 of the Agreement and Section 17 of the ADA shall be replaced with the following:

Any provision of the Franchise Agreement which designates jurisdiction or venue outside of Franchisee's state is void with respect to any cause of action which otherwise is enforceable in Franchisee's state, provided that Franchise Agreement may provide for arbitration outside of Franchisee's state.

(c) The Agreement is supplemented with the following: Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. Illinois Franchise Act, 815 Ill. Comp. Stat. Ann. 705/41. This prohibition against waiver includes, but is not limited to, statements involving unregistered earnings claims, timely disclosure, warranty, material misrepresentations or limitation of liability. 14 Ill. Adm. Code 200.609.

(d) To the extent that the limitations period set forth in Section 24.1 of the Franchise

Agreement is inconsistent with the Illinois Franchise Disclosure Act, the Act will control; it being the intent of the parties that Section 25.3 of the Franchise Agreement shall not prohibit Franchisee from instituting a private civil action under Section 26 of the Illinois Franchise Disclosure Act within the limitations periods set forth in Section 707/27 of the Act.

(e) Section 10.1 of the Agreement and Section 1 of the ADA is supplemented as follows:

The Illinois Attorney General Office has imposed an escrow requirement because of the Franchisor's financial condition. All initial franchise fees and/or area development agreement fees are to be held in escrow until the first franchise opens. A copy of the escrow agreement is on file with the Illinois Attorney General's Office.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

For franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Planet Bleach Franchising Corporation Illinois Franchise Disclosure Document.

Illinois law governs the Franchise Agreement(s).

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

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

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

Item 5 shall be supplemented to include the following disclosure:

The Illinois Attorney General Office has imposed an escrow requirement because of the Franchisor's financial condition. All initial franchise and multi-unit option fees are to be held in escrow until the franchisee commences business. A copy of the escrow agreement is on file with the Illinois Attorney General's Office.

Item 17 of the disclosure document is amended to include the following disclosure:

(a) It shall be a violation of the Illinois Franchise Disclosure Act to terminate a franchise of a franchised business located in the State of Illinois prior to the expiration of its term exception for "good cause" as is provided for in Illinois Franchise Act, 815 Ill. Comp. Stat. Ann. 705/19 and may be affected by Illinois law, 815 ILCS 7051-44:

(b) "Good cause" shall include, but not be limited to, the failure of the franchisee to comply with any lawful provisions of the franchise or other agreement and to cure such default after being given notice thereof and a reasonable opportunity to cure such default, which in no event need be more than 30 days.

(c) "Good cause" shall include, but without the requirement of notice and an opportunity to cure, situations in which the franchisee:

a. makes an assignment for the benefit of creditors or a similar disposition of the assets of the franchise business;

b. voluntarily abandons the franchise business;

c. is convicted of a felony or other crime which substantially impairs the good will associated with the franchisor's trademark, service mark, trade name or commercial symbol; or

d. repeatedly fails to comply with the lawful provisions of the franchise or other agreement.

Item 17 of the disclosure document is further amended to include the following disclosure:

It shall be a violation of the Illinois Franchise Disclosure Act for a franchisor to refuse to renew a franchise of a franchised business located in the State of Illinois without compensating the franchisee either by repurchase or by other means for the diminution in the value of the franchised business caused by the expiration of the franchise where:

(a) the franchisee is barred by the franchise agreement (or by the refusal of the franchisor at least 6 months prior to the expiration date of the franchise to waive any portion of the franchise agreement which prohibits the franchisee) from continuing to conduct substantially the same business under another trademark, service mark, trade name or commercial symbol in the same area subsequent to the expiration of the franchise; or

(b) the franchisee has not been sent notice of the franchisor's intent not to renew the franchise at least 6 months prior to the expiration date or any extension thereof of the franchise.

Illinois Franchise Act, 815 Ill. Comp. Stat. Ann. 705/20.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provisions of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. Illinois Franchise Act, 815 Ill. Comp. Stat. Ann. 705/41. This prohibition against waiver includes, but is not limited to, statements involving unregistered earnings claims, timely disclosure, warranty, material misrepresentations or limitation of liability. 14 Ill. Adm. Code 200.609.

To the extent that the disclosure document is inconsistent with Illinois law, the inconsistent terms of the Franchise Agreement will not be enforced and the terms of the applicable Illinois law shall apply.

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA

This Amendment shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Section 1 of the Franchise Agreement entitled "Franchise Grant" is supplemented by the following provision:

   Ind. Code §§ 23-2-2.7-1(2) and 23-2-2.7-2(4) prohibit both any provision in a franchise agreement allowing the franchisor to and the practice of a franchisor in establishing franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area. To the extent any provisions of the Franchise Agreement or any business practices of PLANET BEACH® Franchising Corporation conflict with Indiana law, Indiana's laws will control.

2. Section 21.3 of the Franchise Agreement entitled "Conditions for Transfer" is supplemented by the following provision:

   To the extent you are required to execute a release in favor of PLANET BEACH® Franchising Corporation, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1 (5).

3. Ind. Code §23-2-2.7-1(10) prohibits any provision in the Franchise Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Franchise Agreement conflicts with Indiana Code §23-2-2.7-1 (10), Indiana law will control.

4. Section 19.2 of the Agreement entitled "Indemnification" is supplemented by the following provision:

   ; provided, however, such indemnification obligations shall exclude liability caused by your proper reliance on or use of procedures or materials provided by PLANET BEACH® Franchising Corporation or caused by PLANET BEACH® Franchising Corporation's negligence.

5. Section 18.2 of the Agreement entitled "After the Term of this Agreement" is supplemented by the following provision:

Notwithstanding the above, the covenant not to compete is limited to your Protected Territory under this agreement.

6. Section 21.4 of the Franchise Agreement entitled "Death or Disability" is supplemented by the following provision:

   Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise.

   Further, the term "6 months" shall replace any shorter term in Section 21.4.

7. Section 25.1 of the Agreement entitled "Governing Law" is supplemented by the following provision:

   However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, this Agreement shall be governed by the Indiana Franchise Disclosure Law Ind. Code § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law Ind. Code § 23-2-2.7.

8. Sections 25.1 entitled "Governing Law" and 25.4 entitled "Arbitration" of the Agreement are both supplemented by the following provision:

   Indiana franchisees are allowed access to Indiana courts. Any provision in this Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Franchise Disclosure Law, Ind. Code § 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7, are void.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF INDIANA

For franchises and franchisees subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® Franchising Corporation Franchise Disclosure Document.

Item 8 of the Franchise Disclosure Document is amended to include the following disclosure:

> The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1(4) makes it unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain a provision which allows the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relating to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.
>
> The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-2(6) makes it unlawful for a franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transactions between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent any provisions of the Franchise Agreement or business practices of PLANET BEACH® Franchising Corporation conflict with Indiana law, Indiana's laws will control.

Item 9 of the Franchise Disclosure Document is amended to include the following disclosure:

> The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1(3) makes it unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain a provision which allows substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee. To the extent any provisions of the Franchise Agreement conflict with Indiana law, Indiana's laws will control.

Item 12 of the disclosure document is amended to include the following disclosure:

> The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1(2) makes it unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a

franchise in Indiana to contain a provision which allows the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-2(4) makes it unlawful, with limited exception, for any franchisor who has entered into any franchise agreement with a franchisee who is either a resident of Indiana or a nonresident operating a franchise in Indiana to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement. To the extent any provisions of the Franchise Agreement or any business practices of PLANET BEACH® Franchising Corporation conflict with Indiana law, Indiana's laws will control.

Item 17. Item 17 of the disclosure document is amended to include the following disclosure:

To the extent you are required to execute a release in favor of PLANET BEACH® Franchising Corporation, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1.

The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1(9) makes it unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain a provision which requires a franchisee covenant not to compete with the franchisor in an area greater than the exclusive area granted by the franchise agreement. To the extent any provisions of the Franchise Agreement conflict with Indiana law, Indiana's laws will control.

The post term covenant not to compete is limited to your non-exclusive area under the Franchise Agreement pursuant to Ind. Code § 23-2-2.7-1(9).

The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1(10) makes it unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain a provision which limits litigation brought for breach of the agreement in any manner whatsoever. To the extent any provisions of the Franchise Agreement conflict with Indiana law, Indiana's laws will control.

The choice of law provisions contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with response to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in the Agreement to the contrary, the Franchise Agreement

shall be governed by the Indiana Franchise Disclosure Law, Ind. Code § 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Franchise Disclosure Law, Ind. Code § 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7, are void.

The Indiana Franchise Disclosure Law, Ind. Code § 23-2-2.5, and the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7, make it unlawful for a Franchise Agreement to contain provisions which require franchisee's prospective consent to automatic injunctive relief for the franchisor and those providing that the franchisor may obtain injunctive relief without the necessity of post a bond. To the extent any provisions of the Franchise Agreement conflict with Indiana law, Indiana's laws will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs, or estate maintains all standards and obligations of the franchise. To the extent any provisions of the Franchise Agreement conflict with Indiana law, Indiana's laws will control.

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment shall pertain to franchises sold in the State of Maryland and shall be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. Section 4.2.8 of the Franchise Agreement is amended accordingly.

2. The franchise agreement is so amended such that any provision that, as a condition of sale of a franchise, requires a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability is void under Md. Code Ann., Bus. Reg. § 14-226. To the extent that the Franchise Agreement may require you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase your franchise, it is hereby amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 25.1 of the Agreement entitled "Governing Law" is supplemented by the following provision;

   However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of Maryland Franchise Law. Pursuant to Md. Code Regs. 02.02.08.16, the franchisor may not require the franchisee to waive the franchisee's right to file a lawsuit alleging a cause of action under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland

4. Under Maryland franchise law, you will not pay your initial fee or any other money to franchisor until your business is open and franchisor has completed all of its pre-opening obligations to you. Item 5 has been amended accordingly in the Addendum for the State of Maryland. Please review Item 11 for the franchisor's pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time the Agreement is signed.

5. Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

6. Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, section 25.1 of the Franchise Agreement is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

7. Section 23.2.1 of the Franchise Agreement provides that PLANET BEACH® Franchising Corporation may terminate you if you file a petition in bankruptcy or bankruptcy proceedings are commenced naming you the debtor. These provisions may not be enforceable under federal bankruptcy law.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

This Addendum shall pertain to franchises sold in the State of Maryland and shall be for the purposes of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Disclosure Document to the contrary, the Franchise Disclosure Document shall be amended as follows:

MARYLAND FRANCHISE LAW REQUIRES THE FOLLOWING SUPPLEMENT TO THE STATE COVER PAGE or "Special Risks to Consider About *This* Franchise" Page: A franchisor may not sell a franchise in the State of Maryland without first giving a prospective franchisee a copy of the offering prospectus and a copy of each proposed agreement that relates to the sale of the franchise at the earlier of:

(1) 14 calendar days before the execution by the prospective franchisee of any binding agreement with the franchisor;

(2) 14 calendar days before payment of any consideration that relates to the franchise relationship; or

(3) a reasonable request by a prospective franchisee to receive a copy of the offering prospectus.

Md. Code Ann., Bus. Reg. § 14-223.

Registration with the Securities Commissioner in the Office of the Maryland Attorney General is not approval, recommendation, or endorsement by the Commissioner. Md. Code Ann., Bus. Reg. § 14-216(b)

Items 2 and 3 of the Franchise Disclosure Document is amended to include the following disclosure:

No person identified in the Franchise Disclosure Document has been convicted of a felony, has pleaded nolo contendere to a felony charge, or has been adjudged liable in a civil action by final judgment, if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

No person identified in the Franchise Disclosure Document is subject to:

(a) a currently effective order of the Securities and Exchange Commission, or the securities administrator of a state, that denies registration to or suspends or revokes the registration of the person as a securities broker, securities dealer, or investment adviser;

(b) a currently effective order of a national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, that suspends or expels the person from membership in the Association or Exchange;

(c) a currently effective order of the Federal Trade Commission; or

(d) a currently effective order that enjoins or restricts business activity as a result of an action brought by a public agency, including an action that affects a license as a real estate broker, associate real estate broker, or real estate salesperson.

Md. Code Ann., Bus. Reg. § 14-216(c)(8)-(9)

Item 5 of the Franchise Disclosure Document is amended to include the following disclosure:

Under Maryland franchise law, you will not pay your initial fee or any other money to franchisor until your business is open and franchisor has completed all of its pre-opening obligations to you. Please review Item 11 for the franchisor's pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time the Agreement is signed.

Item 11 of the Franchise Disclosure Document is amended to include the following disclosure:

Franchisee is required to invest directly into advertising, in accordance with the Franchise Agreement, which may also require the franchisee provide to franchisor evidence of investment. The franchisor does not receive any fee for advertising. Md. Code Regs. 02.02.08.04(B)(2)

The following is added to Item 17 of the Franchise Disclosure Document in accordance with the Md. Code Regs. 02.02.08.04(B)(3):

To the extent the Franchise Agreement provides for the termination of the franchise upon bankruptcy of the franchisee, this provision may not be enforceable under federal bankruptcy law.

The following is added to Items 17 and 19 of the Franchise Disclosure Document in accordance with the Md. Code Regs. 02.02.08.04(B)(3):

The franchisor may not require the franchisee to assent to a period of limitations for causes of action under the Maryland Franchise Law, Business Regulations Article, § 14-226, Annotated Code of Maryland, other than the period of limitations set forth in that statute.

Items 17(v) and 19 are amended to include the following disclosure:

Any lawsuit permitted under the Maryland franchise law shall be brought in the federal or state courts located in the State of Maryland.

The Franchise Disclosure Document is further amended such that,

Any provision that, as a condition of sale of a franchise, requires a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability is void under Md. Code Ann., Bus. Reg. § 14.

The Securities Commissioner in the Office of the Maryland Attorney General is authorized to examine the franchisor's/applicant's financial records that related to the sale of franchises pursuant to Md. Code Ann., Bus. Reg. § 14-216(c)(24).

The franchisor provides its irrevocable consent to be sued in the State of Maryland pursuant to Md. Code Ann., Bus. Reg. § 14-216(c)(25).

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MICHIGAN

This Addendum shall pertain to franchises sold in the State of Michigan and shall be for the purposes of complying with Michigan statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Disclosure Document to the contrary, the Franchise Disclosure Document shall be amended as follows:

1. No person(s) identified in the Franchise Disclosure Document:

    a. Has been convicted of a felony or pleaded nolo contendere to a felony charge, or held liable or enjoined in a civil action by final judgment if the felony or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property.

    b. Is subject to a currently effective order of the United States securities and exchange commission or the securities administrator of a state denying registration of, or barring or suspending the registration or license of, the person as a securities broker, dealer, securities agent, or registered representative or investment advisor or is subject to a currently effective order of a national securities association or national securities exchange, as defined in the securities exchange act of 1934,1 suspending or expelling the person from membership in the association or exchange.

    c. Is subject to a currently effective order or ruling of the federal trade commission.

    d. Is subject to a currently effective injunctive or restrictive order relating to 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 salesperson. The statement shall set forth the court, date of conviction or judgment, the penalty imposed or damages assessed, or the date, nature, and issuer of the order.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

A franchise shall not be sold in the State of Michigan without first providing to the prospective franchisee, at least 10 business days before the execution by the prospective franchisee of any binding franchise or other agreement or at least 10 business days before the receipt of any consideration, whichever occurs first, a copy of the disclosure statement, the following notice, and a copy of all proposed agreements relating to the sale of the franchise. Mich. Comp. Laws Ann. § 445.1508.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Further, the State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

a. A prohibition on the right of a franchisee to join an association of franchisees.

b. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

c. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

d. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if : (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

e. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

f. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

g. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

i. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

ii. The fact that the proposed transferee is competitor of the franchisor or subfranchisor.

iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

h. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

i. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchise unless provision has been made for providing the required contractual services.

The fact that the Notice of Intent is on file with the Attorney General in Michigan does not constitute approval, recommendation, or endorsement by the Attorney General of the franchise offering. Questions regarding the notice should be directed to the Department of Attorney General for Michigan:

State of Michigan Attorney General
G. Mennen Williams Building
525 W. Ottawa Street
P.O. Box 30212
Lansing, MI 48909
(517) 373-1110

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

To the extent the Franchise Agreement has any provisions to the contrary, the applicable Minnesota Law to follow governs:

It shall be unfair and inequitable for any person to:

A. restrict or inhibit, directly or indirectly, the free association among franchisees for any lawful purpose;

B. discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any business dealing, unless any classification of or discrimination between franchisees is based on franchises granted at different times, geographic, market, volume, or size differences, costs incurred by the franchisor, or other reasonable grounds considering the purposes of Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22;

C. compete with the franchisee in an exclusive territory or grant competitive franchises in the exclusive territory previously granted to another franchisee if the terms of the franchise agreement provide that an exclusive territory has been specifically granted to a franchisee;

D. require a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22, as provided by Minn. Rule 2860.4400J; provided, that this part shall not bar the voluntary settlement of disputes;

E. terminate or cancel a franchise unless:

(1) that person has given written notice setting forth all the reasons for termination or cancellation to the franchisee at least 90 days in advance of termination or cancellation; and

(2) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:

(a) voluntary abandonment of the franchise relationship by the franchisee;

(b) the conviction of the franchisee in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to the franchise; or

(c) failure to cure a default under the franchise agreement that materially impairs the good will associated with the franchisor's tradename, trademark,

service mark, logotype, or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof;

F. terminate or cancel a franchise except for "good cause," which shall be defined as failure by the franchisee substantially to comply with those reasonable requirements imposed by the franchise, including but not limited to:

(1) the bankruptcy or insolvency of the franchisee;

(2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business;

(3) voluntary abandonment of the franchise business;

(4) conviction or a plea of guilty or no contest to a charge of violating any law relating to a franchise business; or

(5) any act by or conduct of the franchisee which materially impairs the good will associated with the franchisor's trademark, tradename, service mark, logotype, or other commercial symbol;

G. impose on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable;

H. unreasonably withhold consent to any assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor;

I. enforce any unreasonable covenant not to compete after the franchise relationship ceases to exist;

J. require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause;

K. require a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds;

L. require or prohibit any change in management or personnel of any franchisee unless the current or potential management or personnel fails to meet the present qualifications and standards required by the particular franchisor; or

M. fail to renew a franchise unless the franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee

to recover the fair market value of the franchise as a going concern as determined and measured from the date of the failure to renew. This item does not apply if the failure to renew a franchise is for good cause and the franchisee has failed to correct the reasons for termination.

Minnesota Department of Commerce, Rule 2860.4400, found at https://www.revisor.mn.gov/rules

To the extent the Franchise Agreement includes any contrary provisions, Section 23, "Termination", of the Franchise Agreement is amended according to the following:

Subdivision 4:
Unless the failure to renew a franchise is for good cause as defined in subdivision 3, paragraph (b), and the franchisee has failed to correct reasons for termination as required by subdivision 3, no person may fail to renew a franchise unless (1) the franchisee has been given written notice of the intention not to renew at least 180 days in advance of the expiration of the franchise; and (2) the franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern, as determined and measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

Minn. Stat. Ann. § 80C.14, Subdivisions 3-5

Section 11.6 of the Franchise Agreement with respect to the use of trademarks shall be supplemented by the following provision:

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Sections 4.4.8 of the Franchise Agreement with respect to your execution of a general release shall be supplemented by the following provision:

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

Section 25.1 of the Agreement entitled "Governing Law" is supplemented by the following provision:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Section 25.6 of the Franchise Agreement with respect to your injunctive relief shall be supplemented by the following provision:

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). Also, court will determine if a bond is required.

To the extent the Franchise Agreement includes any contrary provisions, the Franchise Agreement is amended according to the following:

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Any claims brought pursuant to the Minnesota Franchises Act, §80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED FOR THE STATE OF MINNESOTA

The registration of this franchise with the State of Minnesota does not constitute approval or recommendation of the franchise by the Commissioner of Commerce.

To the extent Minnesota franchise law (Minn. Stat. § 80C.01 to 80C.22 and the rules promulgated thereunder by the Minnesota Commissioner of Commerce) applies to any contract that we enter into with you, then we amend each of the applicable sections of the Franchise Disclosure Document to reflect the following where appropriate:

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

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

The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:

1. The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.

2. **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former

franchisees and ask them about their experience with the franchisor.

3. There may be other risks concerning this franchise.

Items 2 and 3

Items 2 and 3 of the Franchise Disclosure Document is amended to include the following disclosure:

No person(s) identified in the Franchise Disclosure Document:

a. has during the ten-year period immediately preceding the date of the public offering statement been convicted of a felony, pleaded nolo contendere to a felony charge, or been held liable in a civil action by final judgment if such felony or civil action involved fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices or misappropriation of property;

b. is subject to any currently effective order of the United States Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the license or registration of such person as a securities broker, dealer, agent, or investment adviser, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange;

c. is subject to any currently effective order or ruling of the Federal Trade Commission;

d. is subject to any currently effective injunctive or restrictive order relating to the business which is the subject of the franchise offered or any other business activity as a result of an action brought by any public agency or department; or

e. has any civil or criminal actions pending against that franchisor or person involving fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices or misappropriation of property.

Item 5

The State of Minnesota has imposed an escrow requirement of the initial franchise fee and other initial payments owed by franchisees to PLANET BEACH® Franchising Corporation until PLANET BEACH® Franchising Corporation has completed its pre-opening obligations under each franchise agreement. The initial franchise fee will be held in an escrow account until the opening of the Planet Beach location.

Item 13

PLANET BEACH® Franchising Corporation will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Item 17 of the Franchise Disclosure Document is amended to include the following disclosure, which is incorporated in the Amendment to the Franchise Agreement above, except in certain specified situations:

Pursuant to Minn. Stat. Ann. § 80C.14, Subdivisions 3-5 and to the extent the Franchise Agreement includes any contrary provisions, the Section 23, "Termination", of the Franchise Agreement is amended according to the following:

> With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified states) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Pursuant to Minn. Stat. Ann. § 80C.21 and Minnesota Rule 2860.4400(J) and to the extent the Franchise Agreement includes any contrary provisions, Section 25.1, "Governing Law", of the Franchise Agreement is amended according to the following:

> Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Pursuant to Minnesota Rule 2860.4400(D) and to the extent the Franchise Agreement includes any contrary provisions, Section 4.4.8, "Term and Renewal", of the Franchise Agreement with respect to your execution of a general release shall be supplemented by the following provisions:

> Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

Pursuant to Minnesota Rule 2860.4400(J) and to the extent the Franchise Agreement includes any contrary provisions, Section 25.6 "Injunctive Relief", of the Franchise

Agreement with respect to your execution of a general release shall be supplemented by the following provisions:

> The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). Also, a court will determine if a bond is required.

Pursuant to Minn. Stat. Ann. § 80C.17, Subd. 5 and to the extent the Franchise Agreement includes any contrary provisions, the Franchise Agreement with respect to any limitation of claims shall be supplemented by the following provisions:

> The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Additional Addenda to Franchise Disclosure Document:

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibit Planet Beach® Franchising Corporation from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of PLANET BEACH® Franchising Corporation such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

_____	_____
Franchisee's Initials/Date	Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

For franchisees and franchises subject to the New York statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the PLANET BEACH® FRANCHISING CORPORATION Franchise Disclosure Document:

1. The State Cover Page or "Special Risks to Consider About *This* Franchise" Page is supplemented as follow:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES 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 THAT 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:

1. The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.

2. **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

3. There may be other risks concerning this franchise.

3. The franchisor further represents that the registered Franchise Disclosure Document does not knowingly omit any material fact or contain any untrue statement of a material fact.

Item 3:

Item 3 of the Franchise Disclosure Document is amended to include the following disclosure:

Except as provided above, with regard to the franchisor and its principals, officers, partners, directors, or any other person identified in the Franchise Disclosure Document:

A. No person 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. In addition, include pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations. If so, disclose the names of the parties, the forum, nature, and current status of the pending action. Franchisor may include a summary opinion of counsel concerning the action if the attorney's consent to the use of the summary opinion is included as part of this offering circular.

B. No person has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period 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. If so, disclose the names of the parties, the forum and date of conviction or date judgment was entered; penalty or damages assessed and/or terms of settlement.

C. No person 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. If so, disclose the name of the person; the public agency, association, or exchange; the court or other forum; a summary of the allegations or facts found by the agency, association, exchange or court; and the date, nature, terms and conditions of the order or decree

The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

[VERIFICATION TO FOLLOW]

VERIFICATION

I, Steve Smith, in my professional capacity and as CEO of franchisor, PLANET BEACH® FRANCHISING CORPORATION, based on my personal knowledge, make the following verification:

I have read the foregoing NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT and know its contents. Based on my personal knowledge, I believe that the matters stated in the foregoing document are true and correct.

Executed on _____, 2021, at _____, Louisiana.

_____

Steve Smith, in his professional capacity and as
CEO of PLANET BEACH® Franchising Corporation

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, the parties to the attached PLANET BEACH® FRANCHISING CORPORATION Agreement (the "Agreement") agree as follows:

1.) Sections 4.4.8 of the Agreement with respect to your execution of a general release shall be supplemented by the following provisions:

Provided that all rights you enjoy and any caused of action arising in your favor from the provisions of Article 33 of the GBL of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the nonwaiver provisions of Sections 687.4 and 687.5 of the New York's GBL be satisfied.

2.) Section 19.2 of the Agreement shall be supplemented to include the following provision: Notwithstanding the above, you shall indemnify PLANET BEACH® FRANCHISING CORPORATION and hold PLANET BEACH® FRANCHISING CORPORATION harmless from liabilities resulting from your breaches and civil wrongs only.

3.) Section 21.1 of the Agreement shall be supplemented to include the following provision: In the event of such an assignment, PLANET BEACH® FRANCHISING CORPORATION will ascertain that its assignee, in PLANET BEACH® FRANCHISING CORPORATION reasonable judgment, possesses the economic resources to fulfill PLANET BEACH® FRANCHISING CORPORATION's obligations to its franchises.

4.) Section 25.1 of the Agreement shall be supplemented by the following provision: However, the foregoing choice of law shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law.

5.) The first sentence of Section 25.6 of the Agreement, shall have no further force or effect and the following shall be substituted in lieu thereof:

Nothing herein contained in this Agreement shall bar either party's right to seek to obtain injunctive relief against threatened conduct that will cause a loss or damage, under the usual equity rules, including the applicable rules for seeking to obtain restraining orders and preliminary injunctions. Except as otherwise provided in this Agreement, any dispute between PLANET BEACH® FRANCHISING CORPORATION and Franchisee arising out of or relating to this Agreement shall, shall at PLANET BEACH® FRANCHISING CORPORATION's option, be determined by arbitration.

6.) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under New York law.

7.) PLANET BEACH® FRANCHISING CORPORATION's termination of the Franchisee Agreement because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.CA. 101 *et. seq*.).

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH CAROLINA

This page serves as the Cover Page for all North Carolina disclosures:

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH CAROLINA

In accordance with N.C. Gen. Stat. Ann. § 66-96, neither a surety bond nor a trust account is applicable to this submission.

AMENDMENT TO THE PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

This Amendment pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything, which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 18 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete may not be enforceable under North Dakota law.

2. Section 25.7 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

3. Section 25.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants specifying that the agreement is governed by the laws of a state other than North Dakota may not be enforceable in North Dakota.

4. Section 24 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants requiring North Dakota franchisees to consent to termination or liquidated damages may not be enforceable in North Dakota.

5. Section 25.4 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants requiring arbitration at a location that is remote from the site of the franchisee's business may not be enforceable in North Dakota.

6. Section 25.8 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants requiring North Dakota franchisees to consent to waiver of trial by jury may not be enforceable in North Dakota.

7. Section 25.9 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

   Covenants requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages may not be enforceable in North Dakota.

8. Section 21.3.4 of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

   Requiring a North Dakota franchisee to execute a general release of claims as a condition of renewal or transfer of a franchise may not be enforceable under North Dakota law.

9. Section 25 of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

   Requiring a North Dakota franchisees to pay all costs and expenses incurred by the Franchisor in enforcing the agreement may not be enforceable under North Dakota law. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

Registration with the State of North Dakota does not constitute approval, recommendation, or endorsement by the North Dakota Securities Commissioner.

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® Franchising Corporation Franchise Disclosure Document.

1. Item 5 is amended by the addition of an escrow requirement of the initial franchise fee with _____ until the opening of the Planet Beach location.

2. Item 17 is amended in accordance with the North Dakota Securities Commissioner, who has held the following to be unfair, unjust, or inequitable to North Dakota franchisees:

    a. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

    b. Situs of Arbitration / Litigation Proceedings: Franchise agreements providing that the parties must agree to arbitrate / litigate disputes at a location that is remote from the site of the franchisee's business.

    c. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

    d. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

    e. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

    f. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

    g. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

    h. General Release: Requiring North Dakota franchisees to execute a general release

of claims as a condition of renewal or transfer of a franchise.

i. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

j. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. No person(s) identified in the Franchise Disclosure Document:

a. Has been convicted of a felony or pleaded nolo contendere to a felony charge or held liable in a civil action by final judgment if such felony or civil action involved fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, or misappropriation of property;

b. Has pending against the person any indictment or information or complaint relating to a felony or is the subject of a civil action involving fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, or misappropriation of property;

c. Is subject to any currently effective order of the securities and exchange commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment adviser, 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;

d. Is subject to any currently effective order or ruling of the federal trade commission; or

e. Is subject to any currently effective injunctive or restrictive order relating to business activity as a result of an action brought by any public agency or department, including, without limitation, actions affecting a license as a real estate broker or salesman.

N.D. Cent. Code Ann. § 51-19-06 (West)

4. Any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the North Dakota Franchise Investment Law is void. N.D. Cent. Code Ann. § 51-19-16.

5. The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:

a. The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.

b. **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

c. There may be other risks concerning this franchise.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® Franchising Corporation Franchise Disclosure Document.

The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:

1. The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.

2. **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

3. There may be other risks concerning this franchise.

Item 17:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in the 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.

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

For franchisees and franchises subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the Franchise Agreement, to the extent the Franchise Agreement contains corresponding provisions:

A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by the Rhode Island Franchise Investment Act or a rule or order under the Rhode Island Franchise Investment Act is void.

An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate the Rhode Island Franchise Investment Act or a rule or order under the Rhode Island Franchise Investment Act.

This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under the Rhode Island Franchise Investment Act.

R.I. Gen. Laws Ann. § 19-28.1-14

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE AGREEMENT ADDENDUM
REQUIRED BY THE STATE OF SOUTH DAKOTA

For franchisees and franchises subject to the South Dakota statutes and regulations, the following information supersedes or supplements, as the case may be, the Franchise Agreement, to the extent the Franchise Agreement contains corresponding provisions and to the extent the following are enforceable:

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, the franchisor does not terminate the franchise agreement upon default without first affording you thirty (30) days notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

The State of South Dakota, Department of Labor and Regulation, Division of Securities, is requiring us to impound (escrow) 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, and until the franchised outlet has opened for business. S.D. Codified Laws § 37-5B-5.

The undersigned does hereby acknowledge receipt of this amendment.

_____ _____
Franchisee's Initials/Date Franchisor's Initials/Date

AMENDMENT TO PLANET BEACH FRANCHISING CORPORATION
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF SOUTH DAKOTA

The State of South Dakota, Department of Labor and Regulation, Division of Securities, is requiring us to impound (escrow) 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, and until the franchised outlet has opened for business. S.D. Codified Laws § 37-5B-5.

The undersigned does hereby acknowledge receipt of this amendment.

_____	_____
Franchisee's Initials/Date	Franchisor's Initials/Date

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ADDENDUM
REQUIRED BY THE STATE OF SOUTH DAKOTA

Item 5:

The State of South Dakota, Department of Labor and Regulation, Division of Securities, requires us to impound (escrow) 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, and until the franchised outlet has opened for business. S.D. Codified Laws § 37-5B-5.

Item 17:

A written provision in a franchise contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of the contract or transaction, or the refusal to perform the whole or any part thereof, or an agreement in writing to submit to arbitration an existing controversy arising out of the contract, transaction, or refusal, is valid, irrevocable, and enforceable except upon such grounds as exist at law or in equity for the revocation of any contract. However, any condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void. S.D. Codified Laws § 37-5B-21

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE AGREEMENT ADDENDUM
REQUIRED BY THE STATE OF VIRGINIA

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 any other laws of Virginia, that provision may not be enforceable.

Section 13.1-564 of the Virginia Retail Franchising Act, which may supersede the franchise agreement in your relationship with the franchisor regarding the area of cross default terminations (Franchise Agreement Section 22.4). There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the area of cross default terminations.

In the event of a conflict of laws, the provisions of the Virginia Retail Franchising Act, Section 13.1- 564 shall prevail.

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.

The undersigned does hereby acknowledge receipt of this addendum.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT ADDENDUM
REQUIRED BY THE STATE OF VIRGINIA

For franchisees and franchises subject to the Virginia statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the PLANET BEACH® Franchising Corporation Franchise Disclosure Document:

The "Special Risks to Consider About *This* Franchise" page is supplemented to include the following:

1. The franchise agreement states that Louisiana law governs the agreement, and this law may not provide the same protection and benefits as local law. You may want to compare these laws.

2. **Use of Franchise Brokers**. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

3. There may be other risks concerning this franchise.

Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17:

The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law.

Item 17(h):

It is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise.

Va. Code Ann. § 13.1-564.

PLANET BEACH® FRANCHISING CORPORATION
ADDENDUM TO FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

This Amendment shall pertain to franchises sold in the State of Washington and shall be for the purpose of complying with the Washington Franchise Investment Protection Act ("WFIPA"), codified at Wash Rev. Code 19.100.010 *et seq*., and accompanying regulations.

1. In the event of a conflict of laws, the WFIPA provisions will govern.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in the State of Washington, the arbitration or mediation site will be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of WFIPA, in Washington.

4. A release or waiver of rights executed by the Franchisee may not include rights under the WFIPA or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit statutes of limitations period for claims under the Act, or rights or remedies under the Act such as the right to a jury trial, may not be enforceable.

5. Transfer fees are collectible by the Franchisor to the extent that they reflect the Franchisor's reasonable, estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor

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

8. The State of Washington may also impose an escrow requirement of the initial franchise fee that is paid to Planet Beach Franchising Corporation. In such event, the initial franchise fee will be held in an escrow account until the opening of the spa.

9. The "Special Risks to Consider About *This* Franchise" is supplemented to include the following:

   Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees and ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

_____ _____

Franchisee's Initials/Date Franchisor's Initials/Date

AMENDMENT TO PLANET BEACH® FRANCHISING CORPORATION FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN

This Amendment shall pertain to franchises sold in the State of Wisconsin and shall be for the purpose of complying with the Wisconsin Fair Dealership Law and Wisconsin Franchise Investment Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between Franchisor and Franchisee inconsistent with the Law.

_____ _____

Franchisee's Initials/Date Franchisor Initials/Date

ADDENDUM TO PLANET BEACH® FRANCHISING CORPORATION
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WISCONSIN

For franchises and Franchisees subject to the Wisconsin Franchise Investment Law and/or Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the PLANET BEACH® Franchising Corporation's Wisconsin Franchise Disclosure Document.

Item 17:

Franchisor must provide franchisee at least 90 days prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that franchisee has 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, franchisee will have 10 days to cure the deficiency.

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provision of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

EXHIBIT L

PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT

INFORMATION RELATING TO REGIONAL DEVELOPERS

Business Experience

Robbie Campbell & Ashlee Campbell Scott: North Texas

From 1996 until 2001, Mr. Don Campbell was the owner and President of P.C. Concessions in Texas. In October 2001, he became a Planet Beach franchisee in Longview, Texas. He became a Planet Beach Area Representative in March of 2002. In 2015, Don passed away and willed his children Robbie and Ashlee to fulfill his Regional Developer and Franchisee roles.

Teresa Normand: North Florida

Mrs. Normand worked as a Registered Nurse at Precision Home Health in Baton Rouge, Louisiana from 1995 until 1997. She then transferred to Our Lady of the Lake Home Health in Baton Rouge until 1999. From February 1999 until May 2000, she worked as a manager at the first Baton Rouge Planet Beach location (LA0012). Mrs. Normand became a Planet Beach franchisee in the Baton Rouge market in April 2000 (LA0027). In February 2001, Mrs. Normand became an Area Representative for the Northern Florida market.

Kevin Nunes: Stanislaus, San Joaquin, and Contra Costa Counties, CA

From April 1, 1998 until July 2010, Mr. Nunes has worked for Minnesota based carrier Northwest Airlines as a Purser. Mr. Nunes became an Area Representative in May 2007.

Carrie Baugh: Utah

Mrs. Baugh started out in property management from 1997 to 2002, and then built investment properties from 2002 - 2007. She purchased her Planet Beach Franchise in 2011, purchasing UT0006, which had the biggest presale in Planet Beach History. Carrie bought her second location, UT0007 in 2015, and also became the regional developer for Planet Beach for the State of Utah in 2015 to the present.

Ted Unseth: Houston, Texas
Mr. Unseth started out with Planet Beach as an employee at one of our franchise locations in the Houston area. He quickly rose to the manager position and grew the spa into one of the best performing spas in the franchise. In 2010, he became a partner on 3 Planet Beach locations in the Houston area and Area Representative of the Houston DMA. As the Area Representative he has participated in numerous training both in the spa and classroom style.

State Effective Dates

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

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

REGISTRATION STATE	Effective Date
California	Pending
Hawaii	No Application Submitted
Illinois	No Application Submitted
Indiana	No Application Submitted
Maryland	No Application Submitted
Michigan	Pending
Minnesota	No Application Submitted
New York	No Application Submitted
North Dakota	No Application Submitted
Rhode Island	No Application Submitted
South Dakota	Pending
Virginia	No Application Submitted
Washington	No Application Submitted
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities of seller-assisted marketing plans.

EXHIBIT M

PLANET BEACH® FRANCHISING CORPORATION FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

RECEIPT

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

If Planet Beach® Franchising Corporation ("PBFC") 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 that PBFC provide you with this disclosure document at the earlier of the first personal meeting to discuss the franchise; or ten business days before the signing of a binding agreement; or ten business days before a payment to PBFC or its agent.]

[Iowa requires that Franchisor provide you with this disclosure document fourteen days and Connecticut and Michigan require that PBFC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, PBFC or one of its affiliates in connection with the proposed sale.]

[Minnesota requires that Franchisor provide you this disclosure document together with a copy of all proposed agreement relating to the sale of the franchise at least seven days prior to the execution by the prospective franchisee of any franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, whichever occurs first. You shall be permitted to retain the disclosure document prior and subsequent to the execution of any franchise or other agreement.]

[North Dakota requires that Franchisor provide you this disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least seven days prior to the execution by you of any binding franchise or other agreement or at least seven days prior to the receipt of any consideration, whichever occurs first. You must be permitted to retain the disclosure document prior and subsequent to the execution of any franchise or other agreement.]

If PBFC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit A.

The franchisor is Planet Beach® Franchising Corporation, located at 5145 Taravella Road, Marrero, Louisiana, 70072. Its telephone number is (504) 297-1468.

Issuance date: August 17, 2021~~July 2, 2021~~

The franchise seller for this offering is: _____ _____
NAME POSITION

Planet Beach® Franchising Corporation, 5145 Taravella Road, Marrero, LA 70072, (504) 297-1468.

PBFC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.

I received a disclosure document dated ~~July 2, 2021~~August 17, 2021, that included the following Exhibits:

Exhibit A - List of State Administrators
Exhibit B - Agents for Service of Process
Exhibit C - List of Franchisees
Exhibit D - List of Exited Franchisees
Exhibit E - Financial Statements
Exhibit F - Franchise Agreement
- Exhibit 1 - Authorized Products and Services
- Exhibit 2 - Approved Location and Territory Addendum
- Exhibit 3 - Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit 4 - Rider to Lease
- Exhibit 5 – Software License Agreement
- Exhibit 6 - Confidentiality and Non-Competition Agreement
- Exhibit 7 - Conditional Assignment of Telephone Numbers, Email Addresses, Social Media and Other URLs
- Exhibit 8 - Statement of Prospective Franchisee

Exhibit G - Area Development Agreement
Exhibit H - Transfer/Termination Release
Exhibit I - Confidentiality Agreement
Exhibit J - State Tanning Regulators
Exhibit K - State Specific Addenda
Exhibit L - Information Relating to Regional Developers
Exhibit M - Receipt

Date: _____

[The State of New York requires the completion of an Effective Date upon notification of effectiveness by the New York State Department of Law.]

_____ (Signature) _____ (Signature)

_____ (Printed Name) _____ (Printed Name)

Complete Below for a Partnership, Corporation or Limited Liability Corporation:

Name:_____

Title:_____

Name of Company:_____

Address:_____

You may return the signed receipt either by signing, dating, and mailing it to the Attention of Franchise Sales Department at Planet Beach® Franchising Corporation at 5145 Taravella Road, Marrero, LA 70072, or by emailing a copy of the signed and dated receipt page to PBFC at legal@planetbeach.com.

[Page 3 of 3]

RECEIPT

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

If Planet Beach® Franchising Corporation ("PBFC") 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 that PBFC provide you with this disclosure document at the earlier of the first personal meeting to discuss the franchise; or ten business days before the signing of a binding agreement; or ten business days before a payment to PBFC or its agent.]

[Iowa requires that Franchisor provide you with this disclosure document fourteen days and Connecticut and Michigan require that PBFC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, PBFC or one of its affiliates in connection with the proposed sale.]

[Minnesota requires that Franchisor provide you this disclosure document together with a copy of all proposed agreement relating to the sale of the franchise at least seven days prior to the execution by the prospective franchisee of any franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, whichever occurs first. You shall be permitted to retain the disclosure document prior and subsequent to the execution of any franchise or other agreement.]

[North Dakota requires that Franchisor provide you this disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least seven days prior to the execution by you of any binding franchise or other agreement or at least seven days prior to the receipt of any consideration, whichever occurs first. You must be permitted to retain the disclosure document prior and subsequent to the execution of any franchise or other agreement.]

If PBFC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit A.

The franchisor is Planet Beach® Franchising Corporation, located at 5145 Taravella Road, Marrero, Louisiana, 70072. Its telephone number is (504) 297-1468.

Issuance date: August 17, 2021~~July 2, 2021~~

The franchise seller for this offering is: _____ _____
NAME POSITION

Planet Beach® Franchising Corporation, 5145 Taravella Road, Marrero, LA 70072, (504) 297-1468.

PBFC authorizes the respective state agencies identified in Exhibit B to receive service of process for it in the particular state.

I received a disclosure document dated ~~July 2, 2021~~August 17, 2021, that included the following Exhibits:

Exhibit A - List of State Administrators
Exhibit B - Agents for Service of Process
Exhibit C - List of Franchisees
Exhibit D - List of Exited Franchisees
Exhibit E - Financial Statements
Exhibit F - Franchise Agreement
- Exhibit 1 - Authorized Products and Services
- Exhibit 2 - Approved Location and Territory Addendum
- Exhibit 3 - Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit 4 - Rider to Lease
- Exhibit 5 – Software License Agreement
- Exhibit 6 - Confidentiality and Non-Competition Agreement
- Exhibit 7 - Conditional Assignment of Telephone Numbers, Email Addresses, Social Media and Other URLs
- Exhibit 8 - Statement of Prospective Franchisee

Exhibit G - Area Development Agreement
Exhibit H - Transfer/Termination Release
Exhibit I - Confidentiality Agreement
Exhibit J - State Tanning Regulators
Exhibit K - State Specific Addenda
Exhibit L - Information Relating to Regional Developers
Exhibit M - Receipt

Date: _____

[The State of New York requires the completion of an Effective Date upon notification of effectiveness by the New York State Department of Law.]

_____ (Signature) _____ (Signature)

_____ (Printed Name) _____ (Printed Name)

Complete Below for a Partnership, Corporation or Limited Liability Corporation:

Name:_____

Title:_____

Name of Company:_____

Address:_____

You may return the signed receipt either by signing, dating, and mailing it to the Attention of Franchise Sales Department at Planet Beach® Franchising Corporation at 5145 Taravella Road, Marrero, LA 70072, or by emailing a copy of the signed and dated receipt page to PBFC at legal@planetbeach.com.