FRANCHISE DISCLOSURE DOCUMENT

Uni K Wax Franchising, LLC
A Delaware limited liability company

(Effective Until Octobert 1, 2024)
300 SW 1st Ave, Suite 155
Ft. Lauderdale, Florida 33301

(Effective as of October 1, 2024)
DCOTA Office Center
(3rd Floor, Suite A-310)
1855 Griffin Rd., Dania Beach, Florida 33004

Phone: (305) 949-9294
Email: franchise@unikwaxgroup.com
Website: www.unikwax.com/franchises/

Uni K Wax Franchising, LLC grants franchises for the development and operation of a studio specializing in wax hair removal services utilizing proprietary products and techniques.

The total investment necessary to begin operation of a UNI K WAX® studio ranges from $327,943 to $558,766. This includes $66,948 to $88,216 that must be paid to us and our affiliates.

Area developers must commit to open a minimum of 2 UNI K WAX® studios. If you purchase area development rights to open 3 to 5 studios, the total investment necessary to begin operation of a UNI K WAX® franchise ranges from $387,943 to $688,766. This includes $126,948 to $218,216 that must be paid to us and our affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 300 SW 1st Ave, Suite 155, Ft. Lauderdale, Florida 33301 (on or before October 1, 2024) or DCOTA Office Center (3rd Floor, Suite A-310), 1855 Griffin Rd., Dania Beach, Florida 33004 (after October 1, 2024) or by phone at (305) 949-9294.

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

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

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

Issuance Date: April 17, 2024 (amended July 23, 2024)

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

5. **Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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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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.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(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 franchisee 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 a 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 franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we," "us" and "the Company" mean Uni K Wax Franchising, LLC - the franchisor. "You" means the person who buys a UNI K WAX® franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

For purposes of this Disclosure Document, a "Studio" refers to any wax hair removal studio that we authorize to operate under our Marks and use our System (as such terms are defined below), including any Studio operated by us, our affiliate, you, or another franchisee.

Corporate Information

Uni K Wax Franchising, LLC is a Delaware limited liability company that was organized on March 15, 2023. As of the issuance date, our principal place of business is 300 SW 1st Ave, Suite 155, Ft. Lauderdale, Florida 33301. However, we signed a lease for our new corporate headquarters located at DCOTA Office Center (3rd Floor, Suite A-310), 1855 Griffin Rd., Dania Beach, Florida 33004. We expect to move to our new corporate headquarters effective October1, 2024. Our telephone number is (305) 949-9294. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for other states). We do not do business under any names other than "Uni K Wax Franchising, LLC" and our tradename UNI K WAX®.

Business History

Noemi Grupenmager, founder of the UNI K WAX® concept, opened the first Studio in South Beach, Florida in April 1993. Our company, Uni K Wax Franchising, LLC, began offering Studio franchises in June 2023 after acquiring the franchise system from our predecessor, UKW Franchising Company, LLC ("UKW-FC"). We are not engaged in any business other than offering Studio franchises and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a Studio.

Predecessor

Our predecessor UKW-FC has a principal business address located at 300 SW 1st Ave, Suite 155, Ft. Lauderdale, Florida 33301. UKW-FC never directly owned or operated a Studio, although its affiliates owned and operated company-owned Studios from time to time. UKW-FC offered Studio franchises from October 2006 until April 2023. UKW-FC also offered area representative franchises from December 2016 until May 2020 under a separate Franchise Disclosure Document. During this time, UKW-FC sold a total of 3 area representative franchises. Area representatives helped UKW-FC solicit, sell and support Studio franchises within a defined development area. There are no area representatives currently in operation. UKW-FC never offered franchises in any other line of business. We do not offer area representative franchises.

Parents

We have the following direct and indirect parent companies:

Name	Principal Business Address	Direct or Indirect
Uni K Wax Group Inc.	Same as ours	Direct
Uni K Wax Holdings, LLC	Same as ours	Indirect

Affiliates

Our affiliate, Uni K Wax Distribution, LLC ("UKW Distribution"), has a principal business address located at 117 NW 9th Terrace, Bay#1, Hallandale Beach, Florida 33009. UKW Distribution is a supplier for uniforms and certain furniture, retail items, promotional and print materials, operating supplies and operating equipment

purchased by franchisees. UKW Distribution has never operated a Studio or offered franchises in this or any other line of business.

Our affiliate, Uni K Wax International, LLC ("UKW-International"), shares our principal business address. From April 2019 to present, UKW-International has offered franchises outside of the United States for: (a) Studios (i.e., the same business offered under this Disclosure Document); and (b) master franchises, pursuant to which the master franchisee solicits and sells subfranchises, trains and supports subfranchisees, and administers our franchise system, all within a defined development territory. Both of these businesses are operated under the name "UNI K WAX". UKW-International has never offered franchises in any other line of business. As of December 31, 2023, UKW-International sold 0 franchises. UKW-International has never directly operated a Studio.

Except for UKW Distribution and UKW-International, we do not have any affiliates that: (a) supply goods or services to our franchisees; and/or (b) offer (or have ever offered) franchises in this or any other line of business.

Description of Franchised Business

The franchised business offered under this Disclosure Document is for a studio featuring wax hair removal services using certain proprietary products and techniques. The individuals who perform waxing services are referred to as "Waxers". Studios typically include between 4 and 7 waxing rooms. Studios also offer and sell various retail items that we designate or approve. We recently implemented a membership model and all Studios are required to participate in the program.

If we award you a franchise, you must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the "Franchise Agreement"). We refer to the franchised business you purchase as your "Studio" or your "Business". The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names and logos, including the service mark "UNI K WAX®" and related logos (collectively, the "Marks"). The Marks also include our distinctive trade dress used to identify a Studio or the products it sells. The Franchise Agreement also grants you a license to use the system developed for the operation of a Studio (the "System"). The operational aspects of a Studio are described in our confidential Brand Standards Manual (the "Manual"). You will operate your Studio as an independent business using the Marks, the System and the support, guidance and other methods and materials we provide.

Area Development Rights

If you satisfy our criteria for multi-unit developers, we may (but need not) offer you the right to enter into an Area Development Agreement in the form attached to this Disclosure Document as EXHIBIT "D" (an "ADA"). The ADA grants you the right and obligation to develop, open and operate multiple Studios within a defined "development territory" according to a predetermined "development schedule". You must develop, open and operate all of the Studios identified in the development schedule. We only offer ADAs to franchisees who commit to develop a minimum of 2 Studios. You will sign a separate franchise agreement for each Studio you develop under the ADA. Each franchise agreement will be our then-current form of franchise agreement, which may differ from the current form of Franchise Agreement attached to this Disclosure Document.

Market and Competition

The target market for UNI K WAX® customers includes men, women and teens between the ages of 9 and 80. The majority of UNI K WAX® customers are women between the ages of 16 and 54. Sales are relatively consistent throughout the year but tend to be stronger during swim season (i.e., Spring and Summer).

The hair removal industry is developed and highly competitive. Our primary competition includes other businesses specializing in hair removal services, including waxing, sugaring and laser hair removal. To a lesser degree, our competition also includes: (a) other businesses in the beauty, cosmetology and aesthetics industry, such as health clubs, spas and beauty salons; and (b) ecommerce and other retail businesses that sell waxing and hair removal products and devices for home use. Some of our competitors are local independently owned and operated businesses while others are local, regional or national chains. Some of our competitors operate through

a franchise model.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Studio. Many states prohibit any person who is not a licensed aesthetician or cosmetologist from performing waxing services. Some state laws restrict the types of services aestheticians may provide and/or prohibit rendering certain types of waxing services to customers under a certain age. If required by applicable law, you must ensure that only licensed aestheticians and/or cosmetologists perform waxing services at your Studio.

As a retail business, you must comply with various consumer protection laws, such as those prohibiting false or deceptive advertising or trade practices. Our Studios currently allow customers to purchase a "series" of multiple treatments at a discounted price paid in advance. Some states have consumer protection laws regulating the offer and sale of prepaid packages and/or the offer of financing for the purchase of these packages. Some of these laws could require Studios to be bonded in order to sell prepaid packages/series (we are currently not aware of any such laws).

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data. Your Studio will accept credit card payments and must comply with PCI standards.

You must also comply with all local, state and federal laws that apply to businesses generally, including laws governing discrimination and sexual harassment in the work place, minimum wage, smoking in public areas as well as EEOC and OSHA standards. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws.

There may be other local, state and/or federal laws or regulations that apply to your Studio. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer: Heather Harris

Heather Harris has held the following positions during the past 5 years:

Employer Name	Location	Title	Time Period
Uni K Wax Franchising, LLC	Aventura, FL	Chief Executive Officer	Jun 2024 to present
Intelligent Office	Cincinnati, OH	President	Oct 2022 to Feb 2024
Corporex	Covington, KY	Senior VP of Sales & Marketing	Feb 2021 to Oct 2022
		Chief Operating Officer	Aug 2019 to Oct 2022
Cyclebar	Cincinnati, OH	President	Jun 2015 to Nov 2017

Chief Financial Officer: Daniel Franzblau, C.P.A.

Daniel Franzblau has held the following positions during the past 5 years:

Employer Name	Location	Title	Time Period
Uni K Wax Franchising, LLC	Aventura, FL	Chief Financial Officer	May 2023 to present
UKW-FC	Aventura, FL	Chief Financial Officer	Aug 2018 to Apr 2023

Lauren Wanamaker – Chief Growth Officer

Lauren Wanamaker has held the following positions during the past 5 years:

Employer Name	Location	Title	Time Period
Uni K Wax Franchising, LLC	Aventura, FL	Chief Growth Officer*	July 2024 to present
Conscious Capital Growth, LLC	Scottsdale, AZ	Chief Growth Officer	Mar 2023 to present
CCG Patrice, LLC	Scottsdale, AZ	Chief Growth Officer	Mar 2023 to present
WellBiz Brands, Inc.	Denver, CO	VP Franchise Development	Nov 2022 to Mar 2023
		Sr. Director of Development	Jan 2019 to Nov 2022
		Director of Development	Jan 2018 to Jan 2019

* Lauren is not an officer of the franchisor but exercises management responsibilities relating to franchise sales.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

You pay us a nonrefundable $45,000 initial franchise fee at the time you sign the Franchise Agreement. Qualified veterans receive a 20% discount on the initial franchise fee (the initial franchise fee is reduced to $36,000). "Qualified veteran" means an honorably discharged United States veteran with a DD Form 214. The veteran's discount cannot be combined with any other discounts and is not applicable to area development deals unless the developer only commits to open 2 Studios (in which case an $18,000 discount will be applied to the development fee). The initial franchise fee is uniformly imposed except as discussed above for qualified veterans and below for area developers.

Initial Training Fee

You pay us a nonrefundable $5,000 initial training fee at the time you sign the Franchise Agreement, which covers the following initial training programs (each described in detail in Item 11):

1. 5-hour Franchise Orientation Training ("Orientation Training") conducted virtually for franchise owners
2. 5-day Franchise Management and Operations Training ("Management Training") conducted at corporate headquarters and a company-owned Studio for your Managing Operator and Designated Managers
3. 10-day Waxer Certification Training conducted for your Waxers, including 5 days of virtual training and 5 days of onsite training at your Studio
4. 5-day Onsite Preopening Training conducted onsite at your Studio for your Managing Owner and staff
5. 1-day Bounce-Back Training, which we may conduct virtually or onsite at your Studio

If Onsite Preopening Training exceeds 5 days you must pay us an additional training fee of $500 per trainer per day, commencing with the 6th day of training.

Real Estate Management Services Fee

You must contract with the real estate company we designate to provide certain real estate management services ("Real Estate Management Services"), including assistance with: selecting and supervising a local real estate broker; educating landlords on our concept; evaluating potential sites for your Studio; procuring site surveys; assessing site feasibility; negotiating a letter of intent for the lease or purchase of the premises; reviewing and negotiating the lease or purchase contract for the premises; and providing real estate and territory analytics. Our designated real estate company agreed to provide the Real Estate Management Service in exchange for a discounted flat fee of $5,000 (subject to change). We currently collect this fee from franchisees and remit the entire sum to the real estate company. The fee is nonrefundable and uniformly imposed.

Project Management Fee

You must hire the company we designate (the "Project Manager") to provide project management services relating to the design, construction and development of your Studio ("Project Management Services"), including assistance with:

- developing a preliminary layout and design for your Studio
- coordinating with your architect and reviewing construction plans and permits
- preparing bids and selecting your general contractor
- monitoring construction progress
- supporting the scheduling and installation of signage, furniture, fixtures and equipment

Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager's role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Studio development process and allow you to open as quickly as possible. In most instances, we anticipate designating an unaffiliated real estate company to serve as the Project Manager. However, we reserve the right to designate ourselves as the Project Manager.

When you sign the lease or purchase agreement for the Studio, you pay the Project Manager a nonrefundable $14,500 project management fee. You pay the fee to us (if we serve as Project Manager) or to a third-party (if we designate a third party to serve as Project Manager). The project management fee is uniformly imposed.

Startup Package

Prior to opening you must purchase our designated package of various items necessary for the development and/or operation of your Studio (the "Startup Package"). You purchase the Startup Package from our affiliate, UKW Distribution. Our current Startup Package includes: (a) uniforms; (b) furniture; (c) retail inventory items; (d) promotional and printed materials; (e) operating supplies; and (f) operating equipment. The Startup Package does not include all of the furniture, operating supplies and equipment you must purchase (any items not included in the Startup Package must be purchased from third-party suppliers). Currently, our Startup Package is estimated to cost $11,948 to $18,716, including shipping and taxes, and includes the following items:

STARTUP PACKAGE	
Item	**Estimated Cost**
Uniforms	$392 to $678
Furniture (gift card display, POP displays, bamboo card holder, bamboo cotton container, bamboo tester tray, bamboo drawer, magnetic board, K Sign, Tear K Drop, signs and personal items holder)	$1,089 to $1,385
Retail Inventory Items (loofahs, retail tweezers and display, and K-Beauty products, including hydrating body lotion, aloe lotion, scrub lotion, bikini brush, bikini balm and ingrown hair serum)	$1,221 to $1,341

STARTUP PACKAGE	
Item	**Estimated Cost**
Promotional and Printed Materials (intake forms, touch-up cards, right to refuse service cards, Uni K nail files and Uni K pens)	$250 to $355
Operating Supplies (wax, gloves, spatulas, wet wipes, brushes, toner, cold packs, oil, gel, aloe, antiseptic, bottles, tissue paper box, bed roll paper, pillows and pillow cases, powder, cotton, body/foot covers, masks, hair nets, plastic bags, retail bags and gift cards)	$5,023 to $8,588
Operating Equipment (steel rulers, hand mirror, wax warmers and labels, Body Chart, scissors, tweezers, step stool, bamboo pens, clipboards, bladeless fan, RingCentral phones and music/SoundTrack box)	$3,023 to $4,119
Estimated Taxes	$800 to $1,250
Estimated Shipping Costs	$150 to $1,000
TOTAL	**$11,948 to $18,716**

The total cost varies depending on the size, layout and number of waxing rooms in your Studio. The estimate above assumes 4 waxing rooms for the low estimate and 7 waxing rooms for the high estimate. The purchase price is nonrefundable and uniformly imposed. However, we may change the items included in the Startup Package (and the associated cost) at any time. We also reserve the right to require you to purchase some or all of the items included in the Startup Package directly from third-party suppliers, in which case you do not pay our affiliate for those items.

Development Fee

If you are an area developer, you pay us a nonrefundable development fee when you sign the ADA. The development fee includes the initial franchise fee for each Studio you commit to develop. The amount of the initial franchise fee for each Studio varies in accordance with the following table:

Number of Studios Purchased	Initial Franchise Fee
2 Studios	$45,000 per Studio
3 to 5 Studios	$35,000 per Studio
6 or more Studios	$30,000 per Studio

For example, if you purchase the right to develop 2 Studios you pay us a $90,000 development fee (2 X $45,000) but if you purchase the right to develop 4 Studios you pay us a $140,000 development fee (4 X $35,000). You do not pay us any additional initial franchise fees when you sign Franchise Agreements for these Studios. We expect most area developers will purchase the right to develop between 3 and 5 Studios, which translates to development fees ranging from $105,000 to $175,000.

Qualified veterans who sign an ADA for the development of 2 Studios receive an $18,000 discount on the development fee, resulting in a discounted development fee of $72,000. The veteran's discount does not apply to veterans who sign ADAs for the development of 3 or more Studios. The development fee is uniformly imposed except as otherwise noted with respect to the veteran's discount.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Royalty Fee	7% of Gross Sales	Day of each week that we specify (currently Wednesday) for Gross Sales generated during prior reporting period	Our current reporting period runs from Monday through Sunday. We may change the reporting period and royalty fee due date upon 30 days' prior notice. You must send us with weekly reports of Gross Sales.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Brand Fund Fee	2% of Gross Sales	Same as royalty fee	You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.
Cooperative Advertising Fee	Up to 2.5% of Gross Sales (not currently imposed)	Same as royalty fee	See Note 4.
Local Advertising Commitment	2.5% of Gross Sales	As incurred (measured quarterly)	You must spend this amount each month on local advertising. You do not pay these amounts to us. These expenditures are in addition to Brand Fund fees.
Training Fees	Either $100 to $500 per day or $500 to $1,500 flat fee, depending on type and location of training (plus Travel Expenses for onsite training)	10 days after invoice	See Note 5.
Conference Registration Fee	Up to $750 per person per conference ($1,000 non-attendance fee owed if you fail to attend a required conference without our approval)	10 days after invoice	We may hold conferences to discuss matters affecting franchisees. Attendance is mandatory for your Managing Operator, Regional Manager (if any) and Designated Managers unless (a) we designate attendance as optional or (b) we waive the obligation to attend based on showing of good cause.
Technology Fees	Varies ($995 to $1,135 per month for most Studios – see Note 6 for more detail)	10 days after invoice or as we otherwise specify	This fee includes all amounts you pay us and our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers. It may also include a reasonable administrative fee for managing the technology platform and negotiating / managing relationships with third-party licensors. It does not include any amounts you pay directly to third-party suppliers.
System Program Fees	Varies (not currently charged)	10 days after invoice or as we otherwise specify	You must participate in any customer loyalty, membership or gift card program we establish and pay all associated program contributions and fees we require to implement and administer the program. These amounts are paid to us or a third party we designate.
Call Center Program	Reasonable setup and monthly fees charged by service provider or by us (not currently imposed)	10 days after invoice or as we otherwise specify	Imposed if we choose to administer a call center. Our fee would be reasonable compared to what other franchise systems charge and taking into account (a) features and functionality offered, (b) costs we incur for labor, operations, technology and infrastructure, legal, compliance, training, quality assurance, translation services and related matters and (c) a reasonable markup to cover our administrative expenses. If a third party administers the call center, you pay fees to the third-party provider unless we collect the fees from you and remit them to the provider.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Product Purchases	Varies depending on item purchased	10 days after invoice	We and our affiliates may, but need not, supply goods or services purchased by franchisees, such as the items currently included in the Startup Package, or other items we specify in the future.
New Product or Supplier Testing	$1,000 plus actual costs we incur to test product or supplier you propose	10 days after invoice	This covers the costs of testing new products or inspecting new suppliers you propose.
Relocation/Project Management Fee (for relocations)	$14,500 if we serve as Project Manager $5,000 if we do not serve as Project Manager	At time we approve relocation	Imposed if we allow you to relocate your Studio. The fee covers the services we provide with respect to the relocation and development of your Studio at the new site.
Renewal Fee	$5,000	At time you sign Renewal Agreement	Imposed if you renew your franchise rights.
Transfer Fee	50% of our standard, then-current, initial franchise fee (reduced to 25% if buyer is an existing franchisee)	Before Transfer	We do not charge a transfer fee for Permitted Transfers. You pay the transfer fee for all other Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.
Reimbursement of Quality Assurance Program Costs	Actual cost paid to company we hire	10 days after invoice	If we hire a person or company to inspect your Studio, you must reimburse us for all amounts we pay them for the inspection.
Reimbursement of Reinspection Costs	All Travel Expenses and other costs we incur to visit and inspect your Studio	10 days after invoice	Imposed if we inspect your Studio to determine if you remedied a (a) health or safety issue identified by a government agency or (b) breach of system standards we bring to your attention.
Audit Fee	Actual cost of audit (including Travel Expenses for audit team)	10 days after invoice	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 3% or more.
Late Fee	$100 plus default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	If we debit your account but there are insufficient funds, or a check you issue is returned due to insufficient funds, then we may charge (in addition to the late fee) an NSF fee of $50 per incident. In California, default interest is limited to 10% per annum.
Noncompliance fee	Up to $200 per incident	Upon demand	Imposed if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure within the time period we require. We may impose an additional $200 fee every 48 hours the noncompliance issue remains uncured after we impose the initial fee. We will deposit these fees into the Brand Fund.
Default Reimbursements	All costs we incur to cure your default	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf. If we do so, you must reimburse us for our costs (examples include failure to pay suppliers, failure to maintain required insurance, and failure to meet quality or safety standards).

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Management Fee	$500 per day plus reimbursement of Travel Expenses and other costs	10 days after invoice	If you fail to timely cure a default under the Franchise Agreement or the Managing Operator dies, we can designate a person to manage your Studio until the default is cured or you replace the Managing Operator.
Indemnification	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify and reimburse us for all damages, losses or expenses we incur due to the operation of your Studio or your breach of the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.
Liquidated Damages	Varies (See Note 7)	30 days after invoice	Imposed if we terminate due to your default or you terminate in any manner not permitted under the Franchise Agreement.
Prepaid Liabilities	Amount of your Studio's total outstanding Prepaid Liabilities	At time of Transfer, expiration or termination of Franchise Agreement	Under current policy you may sell Series and retain all proceeds from these sales (including Prepaid Liabilities for unredeemed treatments) as long as you satisfy certain criteria. We may require you to pay the total amount of your Prepaid Liabilities to us (upon termination or expiration of the Franchise Agreement) or a transferee (as a condition to Transfer). We may also require you to purchase a surety bond to satisfy Prepaid Liabilities if your Studio closes.

Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you purchase products directly from our affiliate, UKW Distribution; (b) you pay the cooperative advertising fee directly to your advertising cooperative (we may instead require you to pay this fee to us, in which case we will remit the fee to the cooperative on your behalf); and (c) you spend the Local Advertising Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "E") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due within 15 days after signing the Franchise Agreement). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date. You are responsible for all taxes imposed on you or us (other than our income taxes) based on products, intangible property (including trademarks) or services we provide to you or payments you make to us.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

   "***Brand Fund***" means the brand and system development fund we currently administer to promote public recognition of our brand and improve our System.

   "***Gross Sales***" means all gross sums you generate from all goods and services you sell (including memberships, Series and packages), plus all other sums you collect from the operation of your Studio, including any advertising revenues, sponsorship fees and business interruption insurance proceeds. Gross Sales includes the full amount of our suggested retail price of any free or discounted goods or services you provide unless we approve the discount program in advance. Gross Sales excludes: (a) sales or use taxes; (b) amounts refunded to customers; (c) revenues from the sale of furniture, fixtures and equipment in the ordinary course of business; and (d) tips paid to and retained by staff members as a gratuity. The Manual

may include policies governing the manner in which proceeds from the sale of gift cards, memberships, Series and packages are treated for purposes of calculating Gross Sales, including the treatment of Prepaid Liabilities. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions by members under a customer loyalty or membership program.

"***Permitted Transfer***" means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer (other than a Transfer that results in the Managing Operator no longer holding a material ownership interest in the franchised business); and/or (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests.

"***Prepaid Liabilities***" means the total amount of outstanding prepaid liabilities carried by your Studio as a liability for unredeemed gift cards, Series, memberships or other prepaid items purchased by customers from your Studio (provided that we allow you to retain all of the proceeds from these sales).

"***Series***" means a prepaid purchase made by a customer that entitles the customer to redeem multiple treatments (or other goods or services) on subsequent visits. Series are currently branded under the name K PACK™.

"***Technology Systems***" means all information and communication technology systems that we designate, including computer systems, point-of-sale systems, webcam systems, telecommunications systems, surveillance systems, security systems, music systems, digital display systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

"***Transfer***" means a transfer or assignment of: (a) the Franchise Agreement or ADA (or any interest in either such agreement); (b) the Studio's assets (other than the sale of fixtures or equipment in the ordinary course of business); (c) any ownership interest in the entity that is the "franchisee" or "area developer"; or (d) the franchised business you conduct under the Franchise Agreement or ADA.

"***Travel Expenses***" means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Studio; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than 1 fee adjustment during any 5-year period.

4. Cooperative Advertising Fee: We may establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. Cooperative advertising fees are uniformly imposed on all Studios in the cooperative, including company-owned Studios. We may set the minimum cooperative advertising fee, which may be increased by majority vote of all members of the cooperative (but will not exceed the maximum amount specified in the table above). Each member is entitled to 1 vote for each open Studio that is owned by the member and located in the cooperative. We and our affiliates will be members of the cooperative (and have the same voting rights as franchisees) with respect to company-owned Studios located in the cooperative. However, if the majority of Studios in the cooperative are company-owned Studios, we will not increase the cooperative advertising fee unless a majority of all franchisee members vote in favor of the increase. All cooperative advertising fees you pay are credited towards your Local Advertising Commitment. We had 1 advertising cooperative in

effect as of December 31, 2023, which included Studios within the states of New York and New Jersey. The advertising cooperative was dissolved in March 2024 and there are currently no advertising cooperatives in effect.

5. Training Fees and Reimbursable Expenses: After your Studio opens, we may charge you the following training fees:

POST-OPENING TRAINING FEES AND EXPENSES		
Type of Training	**Fee**	**Trainees**
Management Training	$500 per person	Any new Managing Operator or Designated Manager you appoint after opening.
Waxer Certification Training*	*[At K University®]* $1,000 per Waxer	Any new Waxer you hire after opening.
	[At Your Studio] $1,500 per Waxer plus reimbursement of our Travel Expenses	
	Extra $100 per Waxer per day, commencing 6th day, if training exceeds 5 days	
Waxer Recertification Training*	$100 per Waxer per day	Any Waxer we believe requires additional training or who returns to work at your Studio after being absent for 90 or more days.
Certified Waxer Instructor Training*	$1,000 per Certified Waxer Instructor	Any Certified Waxer Instructor on your staff.
Waxer Instructor Recertification Training*	$200 per Certified Waxer Instructor per day	Any Certified Waxer Instructor on your staff.
Remedial Training	$500 per person per day	Any person we designate who we believe requires additional training based on operational deficiencies we observe.
Training or Assistance You Request	$500 per person per day	Any person for whom you request that we provide additional training or assistance beyond what we are obligated to provide under the Franchise Agreement.
Onsite Training	Reimbursement of our Travel Expenses (in addition to any other applicable training fees)	Applies to onsite training we conduct after your Studio's opening date. Does not apply to the 5-day Onsite Preopening Training or 5-day Waxer Certification Training we provide onsite at the time of your soft opening.

* The fees listed in the table for Waxer Certification Training and Waxer Recertification Training are imposed only if we conduct the training. After your Studio opens, we highly recommend that you appoint a qualified member of your staff to serve as your "Certified Waxer Instructor". Once certified, your Certified Waxer Instructor may provide Waxer Certification Training (and recertification training) to your Waxers, in which case the Waxer training fees listed in the table will not apply.

6. Technology Fee: We currently charge the following technology fees:

TECHNOLOGY FEES (fees subject to change)		
Component	**Fees**	**Remarks**
Point-of-sale system license & maintenance fee	$450 per month	Paid for license, maintenance and support for our designated point-of-sale system.
Additional email fee	$75 per year ($6.25 per month) per email address	We provide 2 Unikwax.com email addresses at no extra charge. You pay this fee for each additional email address we provide.
Phone system fee	$49 to $136 per month for 1 to3 phone lines (due 1st day of month)	Paid for each phone line associated with our designated phone system.
Screencloud/SoundTrack fee and digital display	$48 to $68 per month	Paid for music played at your Studio and for the service that displays digital menus, ads, etc. on screens in your waiting room.
Mobile Device Management (MDM)	$3 per month per device (estimated $27 to $39 per month)	Paid for the mobile device updating, configuration and management tool you must license and use with each iPad and iPod touch device used in your Studio.
Business Intelligence System (Optional)	$60 per Power User per month $30 per Standard User per month	Paid for access to our designated Business Intelligence System that provides advanced access to reports, queries and dashboards.
Online review management and generation platform*	$145 per month	Paid for use of our designated platform "Podium", which helps you generate and manage customer reviews of your Studio.
Email blast system service fee*	$20 per month (due 2nd week each month)	Paid for Mailchimp.
Social Media Management*	$100 per month	Paid for content management for certain social media accounts.
ProfitKeeper	$18 per month	Paid for license to utilize ProfitKeeper, a required franchise analytics platform.

* These fees are credited towards your Local Advertising Commitment.

7. Liquidated Damages: You pay us liquidated damages if: (a) we terminate the Franchise Agreement due to your default; or (b) you terminate the Franchise Agreement prior to the expiration of the term (except in accordance with the provisions governing your right to terminate following our uncured breach). Liquidated damages are calculated as the sum of average weekly royalty fees and brand fund fees imposed during the 52-week period preceding termination (or during the period of operation if less than 52 weeks) multiplied by the lesser of: (a) 104 (representing 2 years); or (b) the total number of weeks remaining under the term as of the terminate date. If you pay us liquidated damages in a timely manner, we may not pursue a claim against you for lost profits attributable to fees and revenue we would have received after termination if the Franchise Agreement had not been terminated. However, payment of liquidated damages does not prevent us from seeking other damages we incur due to your breach.

ITEM 7 ESTIMATED INITIAL INVESTMENT

Table A: Estimated initial investment for the purchase of a single Studio.

YOUR ESTIMATED INITIAL INVESTMENT (SINGLE STUDIO)				
TYPE OF EXPENDITURE	**AMOUNT** [1]	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial Franchise Fee	$45,000	Lump sum	At time you sign Franchise Agreement	Us
Initial Training Fee [2]	$5,000	Lump sum	At time you sign Franchise Agreement	Us
Training Expenses [3]	$1,500 to $6,000	As incurred	Prior to opening	Suppliers
Real Estate Management Fee [4]	$5,000	Lump sum	At time you sign lease or purchase agreement	Supplier or us
Project Management Fee [5]	$14,500	Lump sum	At time you sign lease or purchase agreement	Project Manager (either us or third-party we designate)
Site Survey [6]	$2,000 to $3,000	Lump sum	Before you sign lease or purchase agreement	Supplier
Lease Deposit & 3 Months' Rent [7]	$24,600 to $68,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Architect Fees	$10,500 to $16,500	As incurred	Before construction	Architect
Construction & Leasehold Improvements [8]	$121,540 to $225,000	As incurred	Before opening	Contractor & suppliers
Signage & Digital Graphics [9]	$12,300 to $19,600	Lump sum	Before opening	Suppliers
Furniture, Fixtures & Millwork [10]	$19,500 to $49,000	As incurred	Before opening	Suppliers
Startup Package [11]	$11,948 to $18,716	Lump sum	Before opening	UKW Distribution
Technology Systems [12]	$11,155 to $13,900	Lump sum	Before opening	Suppliers
Grand Opening Advertising [13]	$15,000	As incurred	30 days before through 60 days after opening	Suppliers
Utility Deposits	$150 to $250	As incurred	Before opening	Utility companies
Licenses and Permits [14]	$1,500 to $2,500	Lump sum	Before opening	Government agencies
Professional Fees [15]	$2,000 to $7,000	Lump sum	Before opening	Lawyer & accountants
Insurance [16]	$1,500 to $3,000	Lump sum	Before opening	Insurance companies
Preopening Payroll [17]	$2,250 to $4,800	As incurred	Before opening	Employees
Additional Funds [18] (3 months)	$21,000 to $37,000	As incurred	As incurred	Suppliers and employees
Total Estimated Initial Investment [19]	$327,943 to $558,766			

Table B – Estimated initial investment for the purchase of area development rights.

YOUR ESTIMATED INITIAL INVESTMENT (AREA DEVELOPMENT - ASSUMES COMMITMENT OF 3 STUDIOS OR 5 STUDIOS)				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Fee [20]	$105,000 to $175,000	Lump sum	At time you sign ADA	Us
Initial Investment to Open Initial Studio	$282,943 $513,766	This is the total estimated initial investment in Table A above (excluding initial franchise fee that is included in development fee)		
Total Estimated Initial Investment [19]	$387,943 to $688,766			

Notes:

1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any fees paid to third-party suppliers that are refundable, although your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.

2. Initial Training Fee: You pay us a $5,000 initial training fee which includes: (a) Orientation Training for the franchise owners; (b) Management Training for your Managing Operator and up to 3 Designated Managers; (c) Waxer Certification Training for 1 Waxer per waxing room in your Studio; (d) Onsite Preopening Training; and (e) Bounce-Back Training.

3. Management Training Expenses: This estimates your cost to send between 1 and 4 people to Management Training in Florida. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected.

4. Real Estate Management Fee: Item 5 describes the Real Estate Management Services provided by the real estate company in exchange for this fee. You must contract with the real estate company we designate.

5. Project Management Fee: Item 5 describes the Project Management Services provided by the Project Manager. You must contract with the Project Manager we designate, which may be us or a third-party.

6. Site Survey: You must procure a site survey for the premises for your Studio. Our designated real estate company will assist you with this process. This estimate assumes you only need 1 site survey. If you need to obtain site surveys for more than one property, your initial investment may be higher.

7. Rent: This estimate assumes you lease your premises. Rent varies depending on the size of the premises, its location, landlord contributions and the requirements of individual landlords. We anticipate most Studios will range in size from 800 to 1,300 square feet with rent ranging from $6,150 to $17,000 per month. Landlords typically require security deposits equal to 1- or 2-months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The amount shown in the table above includes 1 month's security plus 3 months' rent. Some franchisees may prefer to own the Studio's premises. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.

8. Construction: We estimate the cost of construction and leasehold improvements will range from $139,000 to $265,000, which assumes the premises is delivered with 4 bare walls and ceilings with electricity, gas, and HVAC system in place. This cost estimate does not include expediting or permitting fees. The cost of construction and leasehold improvements vary widely based on a number of factors including:
   - the size and condition of the leased space
   - whether the premises is first or second generation retail space
   - the extent and nature of any existing leasehold improvements

- whether the landlord will contribute to the costs of the leasehold improvements (a "TI Allowance") and the amount of any TI Allowance you are able to negotiate
- local demolition costs
- local construction costs and prevailing wage rates in your local market

Some landlords provide a TI Allowance but increase monthly rent to recapture the TI Allowance and amortize it over the lease term (or part of the lease term). A significant factor in determining whether a landlord will provide a TI Allowance, and if so, the amount, is whether the building is first generation or second generation space. All 3 Studios that opened subsequent to January 1, 2022 received a TI Allowance. The TI Allowance amounts were $17,460, $25,000 and $40,000, with an average TI Allowance of $27,487. The estimated construction costs listed in the table reflect a $17,460 TI Allowance (for low estimate) and $40,000 TI Allowance (for high estimate).

9. Signage and Graphics: You must purchase and install all signage and graphics we specify. You may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions.

10. Furniture, Fixtures and Millwork: This estimates your costs for furniture, fixtures, furnishings, millwork and installation. These costs vary depending on the size of your Studio and number of waxing rooms. This estimate does not include the cost of any items that are included in the Startup Package.

11. Startup Package: Item 5 includes a description of the items included in the Startup Package.

12. Technology Systems: This estimates your initial cost to purchase, install and configure your Technology Systems, including:

TECHNOLOGY SYSTEMS – INITIAL COST	
Technology System	**Estimated Cost**
Computer and Point-of-Sale System	$5,400 to $6,500
Network System	$2,800 to $3,200
Telephone System	$225 to $450
Music System	$230 to $250
DVR/Surveillance System	$2,000 to $2,200
Security System	$200 to $300 (alarm company may provide equipment at no cost)
UHD Digital Display TV	$300 to $1,000
Total	**$11,155 to $13,900**

These estimated costs do not include wiring or speaker and camera installation.

13. Grand Opening Advertising: During the period beginning 30 days before opening and ending 60 days after opening, you must spend at least $15,000 on approved grand opening marketing activities, including digital media advertising before and after the Studio opening, a preopening promotion, a soft opening event (opening your Studio to the public) and a grand opening event (30 days after soft opening). This estimate does not include the cost of any print or promotional materials included in the Startup Package.

14. Licenses and Permits: You are responsible for the cost of all required licenses, construction and signage permits, and state health department inspections and certifications.

15. Professional Fees: This includes the estimated fees for professionals you may choose to hire in order to:
    - assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement
    - advise you regarding local laws and regulations applicable to your Studio

- form a business entity
- set up your books, records and accounts
- develop a business plan and budget for the development and operation of your Studio

These services are optional but recommended.

16. Preopening Payroll: You must hire your Designated Managers and Waxers prior to opening to allow them to complete our required preopening initial training programs. This estimates your costs for preopening payroll for your Designated Managers and Waxers.

17. Insurance: This estimate includes 12 months of insurance premium. Item 8 includes a description of the insurance policies you must purchase and maintain.

18. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), technology fees, advertising expenses, utilities, inventory replenishment costs and other miscellaneous expenses and required working capital. Your initial 3 months of rent and 12 months of insurance premium are separately stated in the table above. These figures are estimates based on: (a) the experience of our management team in developing, opening and operating company-owned Studios; and (b) the experience of our franchisees in developing, opening and operating franchised Studios (including data provided by franchisees in response to surveys of their investment costs).

19. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Studio. Within 60 days after your opening date, you must send us a report (or complete a survey), in the form we designate, listing the expenses you incur to develop and open your Studio. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

20. Development Fee: Item 5 discusses how the development fee is calculated. This initial investment estimate assumes you commit to develop either 3 Studios (low estimate) or 5 Studios (high estimate). If you purchase the right to develop more than 5 Studios, your development fee will increase. This estimate does not include your costs to develop any Studio other than the first Studio you develop under the ADA.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source-Restricted Purchases and Leases - Generally

You must purchase or lease certain "source-restricted" goods and services for the development and operation of your Studio. By "source-restricted", we mean the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We notify you of changes to our specifications and supplier list by email, updates to the Manual, bulletins or other means of communication.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you wish to purchase or lease a source-restricted item from a non-approved supplier, you must send us a written request for approval and submit all additional information we request. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier's facilities. We will notify you of our decision within 30 days after we receive your request for approval and all additional information and samples we require. We may periodically re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier fails to meet our then-current criteria. You must pay us a $1,000

fee and reimburse us for all actual costs we incur to review products and suppliers you propose. We do not consider alternative suppliers for goods that are proprietary to us and/or branded with our Marks.

Current Source-Restricted Items

We estimate that 85% to 95% of the total purchases and leases to establish and operate your Studio will consist of source-restricted goods or services, as further described below.

Site Selection Services

You must use the real estate company we designate to assist you in finding a suitable site for your Studio. However, it is ultimately your responsibility to find a suitable site meeting both your and our minimum standards and other requirements.

Lease / Purchase Agreement

You must contract with our designated real estate company to assist you in reviewing and negotiating your lease or purchase agreement. If you lease the premises for your Studio, you must use best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C".

Design and Construction Services

The Manual includes our standards and specifications pertaining to the design, layout, equipping and trade dress for a Studio. We may also provide you with prototype plans for a Studio. You must hire an architect to prepare initial design plans and detailed construction plans, each of which must be: (a) consistent with our prototype plans and the requirements in the Manual; and (b) approved by us as meeting our system standards. Once approved, you must construct and equip your Studio according to the approved plans and the specifications in the Manual. Your architect, engineer and general contractor must be appropriately licensed and bonded to the extent required by applicable law. We may require that you utilize an architect, engineer and/or general contractor that we designate or approve.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. You must use the specific software, Apps, and technology platforms that we designate. Certain components of your Technology Systems must be purchased from suppliers we approve or designate while other components may be purchased from any supplier of your choosing. We may also require that certain services relating to the establishment, use, maintenance, monitoring, security or improvement of your Technology Systems be purchased from approved or designated suppliers. To ensure compatibility with our designated point-of-sale system, you must exclusively use the company we designate to provide merchant processing services.

Project Management Services

You must utilize the Project Manager we designate to provide the Project Management Services. We may designate ourselves or a third party as the Project Manager.

Furniture, Fixtures, Equipment and Décor

All furniture, fixtures, operating equipment and décor must meet our standards and specifications and be purchased from suppliers we designate or approve (including our affiliate).

Signage

All exterior and interior signage, graphics and window treatments must meet our standards and specifications and be purchased from suppliers we designate or approve.

Uniforms

Your employees must wear the uniforms we require. You must purchase these uniforms from suppliers we designate or approve (currently our affiliate).

Inventory

All inventory must meet our standards and specifications and must be purchased from suppliers we designate or approve (currently our affiliate).

Operating Supplies

You must purchase certain operating supplies that meet our standards and specifications. Substantially all of operating supplies used in providing waxing services must be purchased from suppliers we designate or approve (including our affiliate).

Marketing Materials and Services

All marketing materials must comply with our standards and requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you utilize a designated supplier to implement your grand opening marketing campaign. Currently we manage certain social media platforms on behalf of all Studios but allow franchisees to manage other social media platforms. You must purchase social media content management and administration services from the supplier we designate.

Insurance Policies

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by Alfred M. Best & Company, Inc., including the following:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement value of property and contents
Comprehensive General Liability Insurance	$1,000,000 per occurrence and $3,000,000 in the aggregate
Professional Liability and Malpractice Insurance	$1,000,000 per occurrence
Products/Completed Operations Insurance	$1,000,000 per occurrence
Personal & Advertising Injury Insurance	$1,000,000 per occurrence
Automobile Liability Insurance	$1,000,000 per occurrence (if vehicle used in operation of Studio)
Business Interruption Insurance	At least 3 months' coverage
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by lease

The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name us (and our members, officers, directors and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide us with at least 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We attempt to negotiate relationships with suppliers to enable our affiliates and franchisees to purchase certain items at discounted prices. We may also purchase items in bulk and resell them to you at our cost plus a reasonable markup. Currently there are no purchasing cooperatives, but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenues from Source-Restricted Purchases

We reserve the right to designate ourselves as the Project Manager and exclusive supplier of the Project Management Services (although we anticipate designating a third party to serve as the Project Manager). Our affiliate, UKW Distribution, is currently the exclusive supplier for your initial and ongoing supply of all items included in the Startup Package. We and our affiliates may generate a profit from these purchases.

Except for UKW Distribution, there is no person affiliated with us that is currently an approved (or the only approved) supplier. Our Executive Chairwoman, Heather Elrod, indirectly holds an interest in UKW Distribution. There are no other approved or designated suppliers in which any of our officers own an interest.

We and our affiliates may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we receive the following rebates:

- rebates from various suppliers ranging from 5% to 10% of the purchase price of signs, credit card processing services, graphics and window treatments

Our total revenue for the fiscal year ended December 31, 2023 was $1,718,556. During that year, we generated $204,968 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including purchases from us and supplier rebates), which represents 11.9% of our total revenue for that year.

During the fiscal year ended December 31, 2023, our affiliate UKW Distribution generated $1,433,412 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including purchases from UKW Distribution). The source of this information is audited financial statements prepared for UKW Distribution for the fiscal year ended December 31, 2023.

The revenue information set forth above is limited to revenue generated by us and UKW Distribution between June 5, 2023 (the date the franchise system was acquired and the current franchisor and affiliate supplier commenced operations) and December 31, 2023.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA), Area Development Agreement (ADA) and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA: 7.1 & 7.2 ADA: 4.2	Item 7 & Item 11
b. Preopening purchases/leases	FA: 6.2, 11.7 & 15.1 ADA: Not Applicable	Item 5, Item 7, Item 8 & Item 11
c. Site development and other preopening requirements	FA: 7.3, 7.4 & 7.5 ADA: 4.2	Item 6, Item 7 & Item 11
d. Initial and ongoing training	FA: 5 ADA: Not Applicable	Item 6 & Item 11
e. Opening	FA: 7.5 ADA: 4.1	Item 11
f. Fees	FA: 4.2, 5.5, 5.6, 6.2, 6.3, 6.6, 6.9, 6.10, 6.11, 7.1, 8.6, 10.1, 10.4, 11.7, 11.9, 11.11, 11.16, 13, 15.1, 16, 19.2 & 21.3 ADA: 5 & 7.2	Item 5 & Item 6

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
g. Compliance with standards and policies/Operating Manual	FA: 6.1, 7.1, 7.3, 7.4, 10.3, 11 & 17.1 ADA: 4.2	Item 11
h. Trademarks and proprietary information	FA: 17 ADA: 2	Item 13 & Item 14
i. Restrictions on products/services offered	FA: 11.3 ADA: Not Applicable	Item 16
j. Warranty and client service requirements	FA: 11.14 ADA: Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: Not Applicable ADA: 4.1	Item 12
l. Ongoing product/service purchases	FA: 11.7 ADA: Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA: 11.8 & 11.10 ADA: Not Applicable	Item 11
n. Insurance	FA: 15.1 ADA: Not Applicable	Item 6, Item 7 & Item 8
o. Advertising	FA: 10 ADA: Not Applicable	Item 6, Item 7 & Item 11
p. Indemnification	FA: 18 ADA: Not Applicable	Item 6
q. Owner's participation/ management/staffing	FA: 8 ADA: Not Applicable	Item 11 & Item 15
r. Records/reports	FA: 15.2 & 15.3 ADA: Not Applicable	Item 6
s. Inspections/audits	FA: 16 ADA: Not Applicable	Item 6 & Item 11
t. Transfer	FA: 19 ADA: 7	Item 17
u. Renewal	FA: 4 ADA: 4.4	Item 17
v. Post termination obligations	FA: 21 ADA: Not Applicable	Item 17
w. Non-competition covenants	FA: 14 ADA: Not Applicable	Item 17
x. Dispute resolution	FA: 22 ADA: 9	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	FA: 9 & ATTACHMENT "D" ADA: Not Applicable	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

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

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

Before you open your Studio, we will:

1. Provide access to our Manual which will help you establish and operate your Studio, as further discussed below under "Manual". (§6.1)
2. Provide access to E-Studio, which is our current extranet platform from which you may access the Manual, training materials and other materials we deem appropriate. We may discontinue E-Studio at any time. (§6.7)
3. Provide an initial training program, as further discussed below under "Training Program". (§5.1)
4. Provide Project Management Services, if we designate ourselves as the Project Manager, as further discussed below under "Site Development". (§6.3)
5. Review and approve or disapprove sites you propose for your Studio, as further discussed below under "Site Development". (§7.1 & 7.5)
6. Assist you with the design and layout of your Studio, as further discussed below under "Site Development". (§7.3)
7. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Studio and a list of approved and/or designated suppliers for these goods and services. (§11.2)
8. Cause our affiliate to sell to you, and deliver to your Studio, a Startup Package that includes certain items necessary for the development and operation of your Studio. Neither we nor our affiliate: (a) delivers any other items that you purchase for the development of your Studio; or (b) installs any items you purchase. (§6.2)
9. Review and approve or disapprove the design and buildout of your Studio, as further discussed below under "Site Development". (§7.3, 7.4 & 7.5)
10. Send a representative to your Studio to conduct our 5-day Onsite Preopening Training program, as further discussed below under "Training Program". (§5.1)

During the operation of your Studio, we will:

1. Provide access to an ongoing supply of our proprietary and/or branded products. (§11.7)
2. Provide our guidance and recommendations on ways to improve the operation of your Studio. (§6.4)
3. Provide periodic training programs, as further discussed below under "Training Program". (§5.3)
4. Maintain a corporate website to promote our brand and a local webpage with information about your Studio, as further discussed below under "Advertising and Marketing". (§6.8)
5. Administer the Brand Fund, as further discussed below under "Advertising and Marketing". (§10.1)
6. Provide you with our suggested retail pricing model, which may include regional variations. You may deviate from our suggested retail pricing in your discretion. However, you must obtain our approval of any deviation more than 5% higher or lower than our suggested retail pricing, unless such pricing is part of a temporary advertising campaign that we have approved. To the extent permitted by applicable law,

we may set maximum or minimum prices on the goods and services you sell. (§11.5)

During the operation of your Studio, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the operation and management of your Studio. (§6.5)

2. Provide additional training or assistance that you request, as further discussed below under "Training Program". (§5.3)

3. Establish a call center program, in which case you must participate and pay the associated fees. (§6.11)

4. Negotiate purchase agreements with suppliers to obtain favorable pricing. We may also purchase items in bulk and resell them to you at our cost plus shipping and a reasonable markup. (§6.10)

5. Hold periodic conferences to discuss relevant business and operational issues such as industry changes or new services, products, technology or marketing strategies. (§5.6)

6. Create a franchise advisory council, as further discussed below under "Advisory Council". (§12)

7. Provide centralized revenue allocation services relating to purchases of gift cards, Series, memberships, or other prepaid items. If we choose to provide this service, you must fully participate and follow all procedures in the Manual pertaining to customers who purchase a gift card, Series, membership or other prepaid item from your Studio. We would disburse these payments to you and/or other Studios in accordance with the policies and procedures we establish. Under current policy, a franchisee may retain all sales proceeds from Series sold by their Studio provided the franchisee satisfies certain criteria. (§6.6)

We do not provide area developers with any support under their ADA.

Manual (§6.1, 11.2 & 24.8)

We provide you with continuous access to our Manual which may include, among other things:

- architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Studio
- a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Studio and (b) designated and approved suppliers
- a description of the waxing services and other beauty treatments, merchandise, retail items and other authorized goods and services you may offer and sell, including authorized memberships and Series
- specifications, techniques, methods, operating procedures and quality standards
- policies and procedures pertaining to: (a) marketing and advertising; (b) reporting; (c) insurance; (d) data ownership, protection, sharing and use; and (e) gift card, loyalty and membership programs

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered at franchised Studios. All mandatory provisions in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Modifications are effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes (for example, implementing new software or technology). The Manual is confidential and remains our property. The Manual includes 352 pages. The Table of Contents is attached to this Disclosure Document as EXHIBIT "E".

Training Program (§5)

Initial Training Programs

We provide 6 separate initial training programs for you and your key staff members, including: Orientation Training; Management Training; Waxer Certification Training; Onsite Preopening Training; Bounce-Back

Training; and Certified Waxer Instructor Training. Some training is held virtually. In-person training takes place at various locations, including:

- K University® (our primary training facility located at our corporate headquarters in Dania Beach, Florida)
- our company-owned Studio located in Aventura, Florida
- onsite at your Studio

Training materials include the Manual and online training materials accessible through E-Studio. We do not charge additional fees for training materials.

Each required attendee must successfully complete initial training to our satisfaction before performing the associated responsibilities at your Studio. We intend to offer our initial training programs on an as-needed basis to meet the opening schedules of franchisees. Each training program is described in more detail below.

INITIAL TRAINING PROGRAMS - OVERVIEW					
Program	**When Conducted**	**Required Attendees**	**Additional Fees**	**Duration**	**Location**
Orientation Training	Before Management Training	Managing Operator	None	5 hours	Virtual
Management Training	12 weeks before opening	Managing Operator, Designated Managers & Regional Manager	None	5 days (40 hours)	K University® & company-owned Studio
Waxer Certification Training	Virtual training done prior to in-person training In-person training done onsite starting a few days before soft opening	Waxers	$500 per trainer per day if training exceeds 5 days (beginning 6th day	10 days (80 hours)	5 days virtual & 5 days onsite at your Studio
Onsite Preopening Training	Immediately prior to, during and after soft opening	Managing Operator or 1 Designated Manager & Various Staff	$500 per trainer per day if training exceeds 5 days (beginning 6th day)	Up to 5 days (40 hours)	Onsite at your Studio
Bounce-Back Training	6-12 weeks after opening	Managing Operator & Designated Managers	None	1 day (8 hours)	Virtual or onsite at your Studio
Certified Waxer Instructor Training	Any time after opening (Certified Waxer Instructor must recertify every 2 years)	Certified Waxer Instructor	$1,000 per person for initial certification	5 days (40 hours)	K University®

1. Orientation Training

We provide an informal 5-hour Orientation Training program for the franchise owners. This training is conducted virtually and includes new franchisee orientation, real estate training and precertification training. New franchisee orientation and real estate training includes system setup, introduction to project management services, project management software training, site selection, real estate acquisition and design and construction training. Precertification training is comprised of tasks, study, and general preparation for Management Training.

2. Management Training

Management Training includes 5 days of franchise management and operations training. The program consists of classroom and hands-on field instruction and provides practical training in the operation of a Studio, including software training, business operations, business administration, marketing methods, inventory control, financial controls and service delivery training, amongst other similar topics. Management Training takes place at University® and a company-owned Studio in Aventura, Florida. The following table provides additional detail

on Management Training.

TRAINING PROGRAM

MANAGEMENT TRAINING			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
HR & Legal Overview	2	0	K University®
Core Marketing Channels	3	0	K University®
Reporting	3	0	K University®
Financials	2	0	K University®
Studio Operations	4	0	K University®
Customer Experience	4	0	K University®
POS System	3	0	K University®
Distribution	1	0	K University®
Wax Lab	0	3	Company-owned Studio
Principles of Waxing	4	0	K University®
Waxing Technique & Procedures	0	3	Company-owned Studio
Studio Inspection	0	2	Company-owned Studio
UKW Support Services	1	0	K University®
TOTAL	27	8	

3. Waxer Certification Training

All Waxers must successfully complete Waxer Certification Training program before they may perform services at your Studio. Our standard 10-day training program includes: (a) 5 days of virtual training; and (b) 5 days of onsite training at your Studio that takes place at the time of your soft opening. The following table provides additional detail on Waxer Certification Training.

TRAINING PROGRAM

WAXER CERTIFICATION TRAINING			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
General Concepts	2	0	Virtual
Exploring Uni K Wax: History and Culture	1	0	Virtual
Characteristics of the Proprietary ElastiK Wax	1	0	Virtual
Waxer Etiquette/ Customer Service	1	2	Virtual & your Studio
Wax Room and Lounge Procedures	1	1	Virtual & your Studio
Understanding Skin Anatomy/ The Hair Growth Cycle	1	0	Virtual
Waxer and Customer Positioning	0	2	Virtual & your Studio
Uni K Wax Technique/ Wax Application and Removal	2	8	Virtual & your Studio

WAXER CERTIFICATION TRAINING			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
The Different Waxing Services	2	12	Virtual & your Studio
Retail & Professional Supplies Products	2	0	Virtual
Point of Sale (POS)/ Intake Forms	1	0	Virtual
General Evaluation	1	0	Virtual
Hands-On Practice	0	40	Your Studio
TOTAL	15	65	

4. Onsite Preopening Training

Onsite Preopening Training includes at least 40 hours of instruction and field training on various topics such as inventory setup and controls, daily operational processes, software training, staff/customer scheduling and sales and marketing. If you purchase an existing Studio whose staff has previously completed Onsite Preopening Training, we may reduce this training by up to 16 hours at our discretion. At all times during Onsite Preopening Training, at least 1 member of your management team who successfully completed Management Training must be present at the Studio. If more than 5 days of training are required, additional training fees and Travel Expense reimbursements apply (see Section below entitled "Training Fees and Costs"). Waxer Certification Training is conducted onsite at your Studio at the same time that we conduct Onsite Preopening Training. The following table provides additional detail on Onsite Preopening Training.

TRAINING PROGRAM

ONSITE PREOPENING TRAINING			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Studio Setup	0	10	Your Studio
Customer Experience Coordinator Training	0	10	Your Studio
Studio Brand Standards	0	4	Your Studio
Operations Review	0	10	Your Studio
Soft Opening Day	0	6	Your Studio
TOTAL	0	40	

5. Bounce-Back Training

We provide a "bounce-back" management and operational training visit between 6 and 12 weeks after Studio opening. We will determine whether to conduct Bounce-Back Training virtually or onsite at your Studio. Bounce-Back Training is an informal program that is intended to refresh and reinforce lessons learned during Management Training, Waxer Certification Training and Onsite Preopening Training. The subjects covered vary from Studio to Studio. Training typically lasts 1 day (8 hours). We do not charge any fees or require reimbursement of Travel Expenses for Bounce-Back Training.

6. Certified Waxer Instructor Training

After your Studio opens, we highly recommend that you appoint a qualified member of your staff to serve as your "Certified Waxer Instructor". Once trained, your Certified Waxer Instructor will be authorized to provide Waxer Certification Training (and recertification training) to your Waxers. By having a Certified Waxer Instructor, you avoid the additional training fees and expenses that you would otherwise incur to have us train your Waxers. Any person you appoint to serve as a Certified Waxer Instructor must satisfy each of the following

criteria:

- the person must have previously and successfully completed Waxer Certification Training
- the person must have at least 6 months' experience working as a Waxer in a Studio or, with our approval, another waxing studio not affiliated with our brand
- the person must successfully complete our "train-the-trainer" certification training program ("Certified Waxer Instructor Training")
- the person must successfully complete any Waxer Instructor Recertification Training that we require (we will not require recertification more frequently than once every 2 years)

Certified Waxer Instructor Training takes place at K University®. In most cases, we would expect this training to occur approximately 6 months after the Studio's opening date. The following table provides additional detail on Certified Waxer Instructor Training.

TRAINING PROGRAM

CERTIFIED WAXER INSTRUCTOR TRAINING			
SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Company Culture	2	2	K University®
General Communication and Training techniques	2	2	K University®
Waxing Training Techniques/Waxing Services	4	8	K University®
Sales Techniques	2	2	K University®
Training Day Organization/Training Material	2	6	K University®
Final Overview	1	0	K University®
Field Test	1	0	K University®
Role Play	0	6	K University®
TOTAL	14	26	

Ongoing Training Programs

From time to time, we may require that your Managing Operator, Designated Managers, Regional Manager (if applicable), Waxers, Certified Waxer Instructor and/or other personnel attend system-wide refresher or additional training courses.

Any new Managing Operator, Designated Manager or Regional Manager you designate or hire must successfully complete our then-current initial training program applicable to the relevant position.

Any new Waxer you hire must complete Waxer Certification Training. Waxers must also complete periodic Waxer Recertification Training. If you have a Certified Waxer Instructor on staff, that individual may provide Waxer Certification Training and Waxer Recertification Training for your Waxers. If you do not have a Certified Waxer Instructor on staff, we will provide this training at our training facility in Aventura, Florida.

Any new Certified Waxer Instructor you appoint must complete Certified Waxer Instructor Training before he or she may provide Waxer Certification Training for your Waxers. We may require that your Certified Waxer Instructor complete recertification training not more often than once every 2 years.

If we inspect your Studio and determine you are not operating in compliance with the Franchise Agreement and/or the Manual, we may require that your Managing Operator, Designated Managers, Regional Manager, Waxers and/or Certified Waxer Instructor attend remedial training that addresses your operational deficiencies.

You may also request that we provide additional training (either virtually, at corporate headquarters or at your Studio). We are not required to provide this additional training.

Instructors

Our training programs are conducted by a variety of trainers. Our current trainers are disclosed in the table below. We may change the individuals who serve as trainers at any time without prior notice to you.

TRAINING PROGRAM - INSTRUCTORS			
Name & Title	**Topics Covered & Experience**	**Years of Experience**	
		With UKW	**In the Field**
Daniel Franzblau (Chief Financial Officer)	Mr. Franzblau provides instruction on financial reporting matters.	6	35
Beatriz Zapata (Director of Waxer Training)	Ms. Zapata provides instruction for Waxer Certification Training and Certified Waxer Instructor Training.	17	17
Karen Veretilne (Waxer Trainer)	Ms. Veretilne provides instruction for Waxer Certification Training and Certified Waxer Instructor Training.	11	19
Frank Ponce (Director of Field Operations)	Mr. Ponce provides instruction on personnel, daily operations, transacting sales, reporting, customer service, sales strategies, products and operating procedures. These topics are covered during Management Training.	6	14
Edith Huffman (Studio Manager & Field Support)	Ms. Huffman conducts preopening onsite training in the areas of Wax Lab set up and operation, Waxer Room setup, Customer Experience (CEC) training, point-of-sale system, employee scheduling and Studio inspection.	16	16
Cynthia Svetliza (Help Desk Manager)	Ms. Svetliza instructs franchisees on the services and use of our support department, including in areas such as customer complaints, incident reports, customer intake forms, local marketing, submitting marketing requests, E-Studio and UKW tools and resources. She also provides training on basic Customer Experience (CEC), customer communications, service verification, promotions, processing Rewards points, phone systems and mobile app. She coordinates preopening meetings with franchisees and the relevant departments to ensure all preopening requirements are met.	9	9
Alejandro Frometa (IT Manager)	Mr. Frometa provides the Business Intelligence and POS system training related to reports and scheduling, plus device management and provisioning for Studio mobile devices. He also provides instruction on how to get support and handling incident/complaints together with Ms. Svetliza.	7	7
Priscilla Steel (Project Manager)	Ms. Steel provides training on orientation and onboarding, site selection, Studio design and construction.	5	11
Nancy Florian (Marketing Manager)	Ms. Florian provides instruction on core marketing channels during Management Training and provides instruction on advertising avenues, including social media guidelines.	6	15
Margie A. Bradley (Senior Compliance and Legal Coordinator)	Mrs. Bradley provides an overview of required certifications and licenses, local, state and federal regulations, labor laws, human resources and personnel. These topics are covered during Management Training.	12	12

Training Fees and Costs

We charge a $5,000 initial training fee that covers the following initial training programs: (a) Orientation Training; (b) Management Training for your Managing Operator and Designated Managers; (c) Waxer Certification Training; (d) Onsite Preopening Training; and (e) Bounce-Back Training. If more than 5 onsite

training days are required for Waxer Certification Training and/or Onsite Preopening Training, we may also charge an additional $500 per trainer per day, commencing with the 6th day of training (which fee is in addition to the initial training fee).

We may charge the following training fees after your Studio opens:

POST-OPENING TRAINING FEES AND EXPENSES		
Type of Training	**Fee**	**Trainees**
Management Training	$500 per person	New Managing Operator, Designated Manager or Regional Manager.
Waxer Certification Training*	*[At K University®]* $1,000 per person	New Waxers.
	[At Your Studio] $1,500 per person plus reimbursement of our Travel Expenses	
	Extra $100 per person per day if training exceeds 5 days	
Waxer Recertification Training*	$100 per person per day	Any Waxer we believe requires additional training or who returns to work at your Studio after being absent for 90 or more days.
Certified Waxer Instructor Training*	$1,000 per person	Any Certified Waxer Instructor on your staff.
Waxer Instructor Recertification Training*	$200 per person per day	Any Certified Waxer Instructor on your staff.
Remedial Training	$500 per person per day	Any person we designate who we believe requires additional training due to operational deficiencies we observe.
Training or Assistance You Request	$500 per person per day	Any person for whom you request that we provide additional training or assistance beyond what we are obligated to provide under the Franchise Agreement.
Onsite Training	Reimbursement of our Travel Expenses (in addition to any other applicable training fees)	Applies to onsite training we conduct after your Studio's opening date. Does not apply to the 5-day Onsite Preopening Training or 5-day Waxer Certification Training we provide onsite at the time of your soft opening.

* After your Studio opens, we highly recommend that you appoint a qualified member of your staff to serve as your "Certified Waxer Instructor". Once certified, your Certified Waxer Instructor will be authorized to provide Waxer Certification Training (and recertification training) to your Waxers. The fees listed this table for Waxer Certification Training and Waxer Recertification Training only apply if we conduct the training.

You are responsible for all Travel Expenses your trainees incur for training.

Site Development (§6.3, 7.1, 7.2, 7.3 & 7.4)

Site Selection

M Studio ranges in size from 800 to 1,300 square feet. Studios are often located in shopping centers / strip malls and may also include stand-alone locations in metropolitan areas or surrounding suburbs in close proximity to high traffic areas. Studio sites must have ample parking, good visibility and prominent signage.

We do not select the site for your Studio, and we do not purchase the premises and lease it to you. You must

contract with our designated real estate company to assist you in finding suitable sites. However, you retain ultimately responsibility for finding the approved site for your Studio. You must identify and obtain our approval of the site for your Studio within 90 days after signing the Franchise Agreement. If you fail to do so, we may terminate your Franchise Agreement.

Your Studio must be located within the Site Selection Area identified in Part B of ATTACHMENT "A" to the Franchise Agreement and conform to our minimum site selection criteria. You must send us a complete site report that includes all information we require about your proposed site.

We try to approve or disapprove sites you propose within 15 business days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 15 business-day period. We consider the following factors when reviewing proposed sites:

- parking
- visibility, size, condition and characteristics of the building
- traffic counts and patterns
- ease of ingress and egress
- existence and location of competitive businesses
- tenant mix
- local demographic information

If we approve your site before signing the Franchise Agreement, we will list the address in Part C of ATTACHMENT "A" to the Franchise Agreement. Otherwise, we will list the address of your approved site in a Site Approval Notice that we send to you within 15 days after approving your site.

If you sign an ADA, we must approve the site for each Studio you develop applying our then-current site selection criteria.

Lease

Our designated real estate company will assist you in reviewing and negotiating the terms of your lease (or your purchase agreement if you purchase the property). We do not review the substantive terms of your lease. However, you must use best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C". The Lease Addendum is designed to protect our interests. For example, the landlord must notify us of your defaults, offer us the opportunity to cure your defaults, allow us to take an assignment of your lease in certain situations, permit us to enter the premises to remove items bearing our Marks if you refuse to do so and give us a right of first refusal to lease the premises upon the expiration or termination of your lease. If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may either (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord) or (b) require you to find a new site for your Studio.

Studio Design and Construction

The Manual includes our standards and specifications pertaining to the design, layout, equipping and trade dress for a Studio. We may also provide you with prototype plans for a Studio. We must approve the number of waxing rooms at your Studio (our current model requires between 4 and 7 waxing rooms). You must provide us with CAD files for the Studio and a site survey.

You must hire a licensed and bonded architect to prepare initial design plans for the construction of your Studio and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all federal, state and local ordinances, building codes, permit and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. Once

approved, you must construct and equip your Studio according to the approved construction plans and the requirements of the Manual. You must purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require. We may require that you utilize an architect, engineer and/or general contractor that we designate or approve.

You must remodel and make all improvements and alterations to your Studio that we reasonably require from time to time to reflect our then-current standards and specifications. There are no limitations on the cost or frequency of these remodeling obligations. You may not remodel or significantly alter your premises without our prior approval.

Project Management Services

We will designate the company that will serve as your Project Manager (we may, but need not, serve as the Project Manager). You pay the Project Manager a $14,500 project management fee. In exchange for this fee, the Project Manager provides the following Project Management Services relating to the development of your Studio:

- developing a preliminary layout and design for your Studio
- coordinating with your architect and reviewing construction plans and permits
- preparing bids and selecting your general contractor
- monitoring construction progress
- supporting the scheduling and installation of signage, furniture, fixtures and equipment

Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager's role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Studio development process and allow you to open as quickly as possible.

Opening Requirements (§7.5)

We expect most franchisees will open between 6 and 8 months after signing the Franchise Agreement. Factors that may affect this time include:

- the amount of time needed to find an approved site
- the availability of CAD files for the Studio premises
- protracted lease negotiations with your landlord
- the amount of time needed to secure financing, insurance, licenses and permits
- the condition of your building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures
- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train your staff

You may not open your Studio prior to receipt of our written authorization to open. Unless we agree to the contrary, you must open your Studio within 240 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you fail to open by this deadline.

Advertising and Marketing (§10)

You must participate at your own expense in all advertising, promotional and marketing programs we require. We provide the advertising and marketing support discussed below. Any company-owned Studio will pay brand

fund fees and cooperative advertising fees on the same basis as franchisees. We have no further obligation to expend our own funds on marketing and advertising in your area. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

Grand Opening Marketing

You must spend at least $15,000 on your grand opening marketing activities, including digital media advertising before and after the Studio opening, a preopening promotion, a soft opening event (opening your Studio to the public) and a grand opening event (30 days after soft opening). However, we may recommend that you spend more. If you fail to spend the minimum required amount before the 60th day after opening, we may require that you pay us the difference and we may either deposit the funds in the Brand Fund or spend them ourselves to promote your Studio. We may require that you utilize a marketing company we designate to design and implement your grand opening marketing plan.

Ongoing Local Marketing By You

After opening, you must spend a minimum monthly amount equal to your Local Advertising Commitment (which is 2.5% of your Gross Sales) on local advertising. We measure your compliance on a rolling 3-month basis, meaning as long as your average monthly expenditure on local advertising over the 3-month period equals or exceeds your Local Advertising Commitment, you are deemed in compliance even if your expenditure in any given month is less than your Local Advertising Commitment. If you fail to spend the required minimum amount, we may require that you pay us the difference between your Local Advertising Commitment and the amount you actually spent. If this occurs, we may either deposit the funds in the Brand Fund or spend them ourselves to promote your Studio.

You may develop your own advertising and marketing materials and programs, provided we approve them in advance. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved. We have 10 days to review and approve or disapprove advertising and marketing materials and programs you submit for approval. Our failure to approve them within the 10-day period constitutes our disapproval. We reserve the right to prepare the specific advertising and marketing materials you must use. If this happens, you may not develop your own materials.

Local Marketing Assistance From Us

We provide reasonable marketing consulting, guidance and support throughout the franchise term on an "as-needed" basis. We may create and make available to you advertising and marketing materials for your purchase. We may use the Brand Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may provide online access to these materials, in which case you must print the materials at your expense. We may also contract with third-party suppliers to create advertising or marketing materials that you may purchase.

Websites, Social Media and Digital Advertising

We will maintain a corporate website to promote our brand. We will also create and host a local webpage, which will be linked to our corporate website, to promote your Studio. We can modify or discontinue our website and/or your local webpage at any time.

Except for the webpage we provide, you may not: (a) develop, host, or otherwise maintain any other website or digital presence relating to your Studio (including any website bearing our Marks); (b) utilize the Internet to conduct digital or online advertising; or (c) engage in ecommerce. However, we do permit you to market your Studio through approved social media channels, subject to the following requirements:

- you may only conduct social media utilizing social media platforms that we approve (we exclusively manage certain social media platforms on behalf of the brand)
- you must strictly comply with our social media policy, as revised from time to time

- you must immediately remove any post we disapprove, even if it complies with our social media policy
- we may require that you contract with and utilize a social media company we designate
- you must provide us with full administrative rights to your social media accounts
- we must retain ownership of all social media accounts relating to your Studio

Gift Card and Loyalty Programs

We may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. We have the right to determine how proceeds from gift card sales are divided or otherwise accounted for and we may retain proceeds from unredeemed gift cards. You must follow all policies we establish for gift card and/or loyalty programs.

Advertising Cooperatives

We may, but need not, form advertising cooperatives for the benefit of all Studios located in a particular region. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your Studio is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed 2.5% of Gross Sales. All cooperative advertising fees you pay are credited against your Local Advertising Commitment. Any company-owned Studio located in the cooperative will contribute on the same basis as franchisees.

Advertising cooperatives are not required to prepare annual or periodic financial statements. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

Brand and System Development Fund

We currently administer the Brand Fund to promote public awareness of our brand and improve our System. We may use the Brand Fund to pay for any of the following in our discretion:

- developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs
- conducting and administering promotions, contests or giveaways
- expanding public awareness of the Marks
- public and consumer relations and publicity
- brand development
- sponsorships
- charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization

- development and maintenance of an ecommerce platform
- development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys
- conducting market research
- changes and improvements to the System
- the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts
- collecting and accounting for contributions to the Brand Fund
- preparing and distributing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System
- direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate's, officers, directors, employees or independent contractors based upon time spent working on any Brand Fund matters described above)

We direct and have complete control and discretion over all advertising programs paid for by the Brand Fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs. Currently, most advertising is intended to be regional or national in coverage. Advertising may utilize any media we deem appropriate, including digital, print, television, radio and billboard. The Brand Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

You must pay the brand fund fee we specify from time to time (not to exceed 2% of Gross Sales). We deposit all brand fund fees and noncompliance fees into the Brand Fund. Any company-owned Studio will contribute on the same basis as our franchisees. However, if we modify the amount or timing of required contributions, any company-owned Studio established or acquired after the modification may contribute to the Brand Fund utilizing the modified amount or timing.

All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies may be invested and we may lend money if there is a deficit. An unaudited financial accounting of Brand Fund contributions and expenditures will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2023, we spent the marketing funds in the following manner:

Allocation of Marketing Expenditures (2023)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other***
Percentage Allocation	59.7%	30.7%	9.5%	0.1%

* Other includes website hosting and development, search engine optimization and promotional events.

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. Once established, we may discontinue the Brand Fund on 30 days' notice.

Advisory Council (§12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new products or services. We consider all suggestions in good faith but are not bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to

communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with your Franchise Agreement and do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other members of the council. Any company-owned Studio would also be a member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

Computer System (§6.9, 11.7, 11.8, 11.9, 15.3 & 16.1)

You must purchase and use all Technology Systems we designate from time to time. The table below summarizes the Technology Systems we currently require:

TECHNOLOGY SYSTEMS			
Technology System	**Components**	**Estimated Initial Cost of System**	**How System is Used**
POS System	1 24" Mac 4 to 6 iPads 5 to 8 iPods/iPad Mini/iPhones 1BBPOS bar code reader 1 receipt printer 1 laser printer 1 ink jet color printer POS software/setup	$5,400 to $6,500	Used for: customer check-in and check-out procedures; notifying lab of customer arrival; processing payments; accessing customer notes relating to preferences and appointments; conducting email; preparing reports; and performing other administrative tasks.
Networking & Audio System	Internet router WiF Mesh 1 to 2 Wi-Fi Access Points 3 to 4 speakers 1 patch panel 1 Uninterrupted Power Supply (UPS)	$2,800 to $3,200	Used to: access Internet (for implementation and utilization of Technology Systems); provide WIFI coverage throughout Studio for iPods and iPads; play music; and provide backup power during power outages.
Telephone System	1 to 2 phone sets (Ring Central)	$225 to $450	Used for incoming and outbound phone calls. The centralized phone account is in our name.
Digital Display TVs	1 50" 4K Ultra-High Definition TV	$300 to $1,000	Used to display designated content to customers (i.e., marketing materials and price menus) using ScreenCloud (or another system we designate). We provide centralized content management services.
Music System	SoundTrack box	$230 to $250	Used to play music and create studio ambiance using SoundTrack (or another system we designate). We provide centralized music management services.
DVR/Surveillance System	DVR 4 to 8 digital cameras	$2,000 to $2,200	Used to record studio activity in various areas including customer waiting area, reception, manager's office, storage and lab (not used in waxing rooms).
Security System	System and components at franchisee discretion	$200 to $300	Used to provide security and alarm services. Some alarm companies provide the equipment at no charge.

We may change the components of the Technology Systems from time to time.

Fees and Costs

The table above includes the estimated initial cost of each Technology System (including any upfront license fees, setup fees, software training fees, data migration fees, etc.).

As further discussed in Item 6, you pay us technology fees for certain software, technology and related services that we provide or make available to you. We currently charge the following technology fees:

ONGOING TECHNOLOGY FEES PAID TO US (subject to change)			
Component	**Fee (Monthly)**	**Fee (Annual)**	**Remarks**
Point-of-sale system license & maintenance fee	$450	$5,400	Paid for license, maintenance and support for our designated point-of-sale system.
Additional email fee (per email) (2 provided at no extra charge)	$6.25	$75	We provide 2 Unikwax.com email addresses at no extra charge. You pay this fee for each additional email address we provide.
Phone system fee	$49 to $136	$588 to $1,632	Paid for 1 to 3 phone lines associated with our designated phone system.
Screencloud/SoundTrack fee	$48 to $68	$576 to $816	Paid for music played at your Studio and for the service that displays digital menus, ads, etc. on screens in your waiting room.
Mobile Device Management (MDM) (per device)	$3	$36	Paid for the mobile device updating, configuration and management tool you must license and use with each iPad and iPod touch device used in your Studio.
Business Intelligence System (Optional)	$60 (Power User)	$720 (Power User)	Paid for access to our designated Business Intelligence System that provides advanced access to reports, queries and dashboards. This service is optional.
	$30 (Standard User)	$360 (Standard User)	
Online review management and generation platform*	$145	$1,740	Paid for use of our designated platform "Podium", which helps you generate and manage customer reviews of your Studio.
Email blast system service fee*	$20	$240	Paid for Mailchimp.
Social Media Management*	$100	$1,200	Paid for content management for certain social media accounts.
ProfitKeeper	$18	$216	Paid for license to utilize ProfitKeeper, a required franchise analytics platform.

* These fees are credited towards your Local Advertising Commitment.

At this time, we do not mandate that you use any particular third-party software other than the software described above that is covered by the technology fee.

Maintenance, Support, Updates and Upgrades

In exchange for the ongoing monthly fees listed in the tables above, the licensors of the various software and technology provide any necessary maintenance, support and updates (except the licensor of ProfitKeeper may charge additional fees for updates). We also provide support for the POS System as part of the services we provide in exchange for the technology fee.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing

maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection and Sharing of Data

Your computer system will collect data regarding your sales, employees, employee scheduling and customers (including names, contact information, appointments and purchase history). We have independent unlimited access to the data collected on your computer system and there are no contractual limits imposed on our access.

We own all data relating to your operations and customers. We grant you a license to use this data solely for purposes of operating your Studio. You must protect all customer data with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual. You must also comply with the standards established by PCI-DSS to protect the security of credit card information.

Computer System Maintenance and Changes

You must maintain the computer system in good condition at your cost. We may require that you upgrade, update or otherwise change your computer system and other Technology Systems to conform to our then-current specifications. There is no contractual limitation on the frequency or cost of these updates, upgrades or changes.

ITEM 12 TERRITORY

Location of Your Studio

The Franchise Agreement grants you the right to operate one Studio from a site we approve. You must identify a site for your Studio within the Site Selection Area described in your Franchise Agreement.

You may relocate your Studio with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (a) obtain our approval of the new site for your Studio within the Site Selection Area (but outside any territory granted or reserved to us, our affiliate or any other franchisee); (b) pay us, at the time we approve your relocation request, either (i) a $14,500 project management fee (if we serve as the Project Manager for the new site) or (ii) a $5,000 relocation fee (if we do not serve as the Project Manager for the new site); (c) comply with our then-current site selection and development requirements; (d) remove trade dress and alter the premises of the closed (i.e., former) Studio to eliminate any resemblance to a Uni K Wax Studio; and (e) open your Studio at the new site and resume operations within 30 days after closing your Studio at the former site (you have 240 days to reopen at the new site if you relocate because your Studio was destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises). We may require that you conduct another grand opening marketing campaign to promote the opening of your Studio at the new site.

Territory (Franchise Agreement)

We will grant you an exclusive territory that will include a minimum population of 25,000 (although most territories include a population of approximately 50,000). We have no obligation to modify your territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

If we determine your territory before you sign the Franchise Agreement, we will identify your territory in Part D of ATTACHMENT "A" to your Franchise Agreement. Otherwise, we will identify your territory in the Site Approval Notice we send to you after approving your site.

Development Territory (ADA)

If you acquire area development rights, we will grant you an exclusive development territory that will be identified in Part D of ATTACHMENT "A" to your ADA. A development territory typically consists of a geographic area that coincides with the boundaries of a municipality, such as a city, county or state. There is no specific minimum or maximum size for a development territory. In determining the size of your development

territory, we primarily consider the number of Studios you commit to develop as well as the size of the territory that will be granted for each of those Studios. We will define the boundaries of your development territory to exclude the territory of any Studio that would otherwise be located in your development territory as of the date you sign the ADA (either open, under construction or for which a Franchise Agreement has been signed).

You must sign a separate Franchise Agreement for each Studio you develop. All Studios you develop must be located within your development territory. We must approve the site for each Studio you develop under our then-current site selection criteria. Your territory for each Studio will include a minimum population of 25,000, but most territories include a population of approximately 50,000. We send you a complete execution copy of the ADA that includes your development territory, development fee and development schedule at least 7 days before you sign it.

Alternative Channels of Distribution

We reserve the right to sell, and license others to sell, competitive or identical goods and services (either under the Marks or different trademarks) through Alternative Channels of Distribution, including within your territory and development territory, if applicable. An "Alternative Channel of Distribution" means any channel of distribution other than retail sales made to customers while present at a Studio. Examples of Alternative Channels of Distribution would include the sale of our proprietary, customized or branded products:

- through direct marketing, such as over the Internet or through catalogs or telemarketing
- through retail stores that do not operate under the Marks, such as grocery stores or department stores
- to businesses that do not operate under the Marks, such as the sale of wax (other than the ElastiK wax line) to independent aestheticians
- at wholesale

You are not entitled to any compensation for sales that take place through Alternative Channels of Distribution.

Restrictions on Your Sales and Marketing Activities

You can market and advertise outside of your territory and development territory, if applicable, as long as: (a) you comply with all policies and procedures in the Manual governing extra-territorial marketing; and (b) you do not engage in targeted marketing directed into any territory or development territory assigned to us, our affiliate or another franchisee (unless the marketing is conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both within your territory and within another territory is not considered "targeted marketing" if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your territory; and (b) the majority of the recipients of the advertising are located within your territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate or another franchisee. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and setting up promotional events that take place within a given territory.

You must comply with any minimum advertised pricing policy that we establish from time to time.

You may not market or sell using Alternative Channels of Distribution (such as through the Internet, catalog sales, telemarketing or other direct marketing) either within or outside of your territory or development territory, if applicable. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled "Websites, Social Media and Digital Advertising".

There are no other restrictions on your right to solicit customers, whether from inside or outside of your territory or development territory, if applicable.

Minimum Performance Requirements

Your exclusive territorial rights under the Franchise Agreement do not depend on achieving a certain sales

volume, market penetration or other contingency.

If you sign an ADA and fail to satisfy your development schedule by opening and operating the prescribed number of Studios within the required periods of time, we may terminate your ADA and you will lose the exclusive territorial rights associated with your development territory.

Additional Franchises and Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional territories or franchises, other than your right and obligation to develop the prescribed number of Studios within your development territory if you sign an ADA.

Competitive Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by a Studio. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

We grant you the right to operate a Studio under the name UNI K WAX® and the associated logo. By trademark, we mean trade names, trademarks, service marks and logos used to identify your Studio or the products or services you sell. We may change the trademarks you may use at any time, including discontinuing any Marks listed in Item 13 below. If this happens, you must change to the new trademark at your expense and the Franchise Agreement does not entitle you to any compensation.

The following table lists the principal trademarks that will be licensed to you. Our predecessor's affiliate, UKW Holding Company ("UHC"), registered these trademarks on the Principal Register of the United States Patent and Trademark Office. On June 5, 2023, UHC assigned these Marks to our affiliate, Uni K Wax R-D, LLC ("UKW R-D").

REGISTERED MARKS		
Mark	**Registration Number**	**Registration Date (Renewal Date)**
UNI K WAX	3319936	October 23, 2007 (November 17, 2017)
UNI K NATURAL WAX STUDIO	5496675	June 19, 2018
UNI K WAX NATURAL WAX STUDIO	5496676	June 19, 2018
UNI K NATURAL WAX STUDIO WAX	5497819	June 19, 2018
	5496677	June 19, 2018

UKW R-D also applied to register the following Marks on the Principal Register of the United States Patent and Trademark Office based on an intent to use:

UNREGISTERED MARKS		
Mark	**Serial Number**	**Application Date**
K PACK	98455188	March 18, 2024
K CLUB	98454246	March 18, 2024

We do not have a federal registration for the Marks in the table immediately above labeled "Unregistered Marks". Therefore, these Marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits and renewals have been filed for the registered Marks and UKW R-D intends to file all required affidavits for the unregistered Marks when due.

We entered into an Intellectual Property License Agreement with UKW R-D, with an effective date of June 5, 2023 (the "License Agreement"). Under the terms of the License Agreement, UKW R-D granted us the right to use the Marks in the UNI K WAX® System and sublicense the Marks to our franchisees. The term of the License Agreement automatically renews annually unless it is terminated in accordance with its terms. UKW R-D is permitted to terminate the License Agreement only if we: (a) declare bankruptcy or become insolvent; (b) breach UKW R-D's quality control standards and fail to cure the breach within a 60-day cure period; or (c) consent to the termination. If the License Agreement is terminated, it states all sublicenses granted by us to our franchisees will continue in full force and effect until the expiration or termination of the applicable franchise agreement. No other agreements limit our right to use or sublicense use of the Marks.

You must follow our rules when using the Marks. You cannot use the Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You cannot use the Marks relating to the sale of any product or service we have not authorized.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we think appropriate. We are not required to take any action if we do not feel it is warranted. We may require your assistance, but you may not control any proceeding or litigation relating to our Marks. You must not directly or indirectly contest our or UKW R-D's right to the Marks.

We will indemnify you against and reimburse you for: (a) all damages for which you are held liable in a judicial or administrative proceeding based on your use of the principal Marks in compliance with the Franchise Agreement and Manual; and (b) all costs you reasonably incur in defending against any such claim. Our indemnification obligation only applies if you notify us of the claim or proceeding in a timely manner and you are in full compliance with the Franchise Agreement and Manual. Our indemnification obligation is limited to the principal trademarks that are used to identify your Studio (e.g., UNI K WAX® and Marks that include the phrase "UNI K WAX"). Our indemnification obligation does not extend to ancillary Marks that may be licensed to you (for example, K BEAUTY™ or ELASTIKWAX™).

Except as disclosed above, the Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; or (d) infringing uses we are aware of that could materially affect your use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Although we have not filed an application for copyright registration for the Manual, our website or our marketing materials (other than the Body Charts discussed below), we do claim a copyright to these items. Our affiliate, UKW R-D, owns the following copyrights registered with the United States Registrar of Copyrights that were originally obtained by our predecessor's affiliate, UHC:

REGISTERED COPYRIGHTS				
Title	**Copyright Number**	**Copyright Date**	**Copyright Duration***	**Description**
Body Chart	TX0007907259	April 17, 2014	95 years from February 1, 2014	Set of booklets (one for men and one for women) illustrating waxing services offered by Studios that must be displayed in waxing rooms and reception areas.
Body Chart Men	VA0001972209	June 21, 2015	95 years from June 1, 2015	Supplement to Body Chart illustrating the waxing services offered to male customers, which is included in the Body Chart set of booklets.

* These copyrights cannot be renewed.

UKW R-D licenses the copyrights to us under the same License Agreement (and under the same terms) described in Item 13 with respect to the license of the Marks. No other agreements limit our right to use or sublicense use of the copyrights.

During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information (some of which constitute "trade secrets") relating to the development, marketing and operation of a Studio. Examples include:

- architectural plans, drawings and specifications for a prototype Studio
- site selection criteria
- methods, techniques, policies, procedures, standards and specifications
- supplier lists and information
- marketing and merchandising strategies
- financial information
- information comprising the System

We will own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to a Studio. We will also own all operational and customer data relating to your Studio. You must treat this data as confidential and proprietary. We license you the right to utilize this data during the term of your Franchise Agreement.

We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Studio in compliance with the Franchise Agreement and Manual. You may not disclose our confidential information to any person (other than your employees on a need-to-know basis) without our prior permission. We consider all information in the Manual to be confidential. All of your employees, agents and representatives (other than your Designated Manager and Regional Manager) must sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "G" before you give them access to our confidential information.

You must promptly notify us if you discover any unauthorized use of our proprietary information or copyrighted

materials. We are not obligated to act, but will respond to this information as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our proprietary information or copyrighted materials.

The Franchise Agreement does not require that we: (a) protect your right to use the copyrights or proprietary information; (b) protect you against claims of infringement or unfair competition arising out of your use of the copyrights or proprietary information; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our copyrights or proprietary information or if the proceeding is resolved in a manner unfavorable to you.

There are currently no: (a) effective material determinations of the United States Copyright Office or any court involving our copyrights or proprietary information; (b) pending infringements, oppositions or cancellations involving our copyrights or proprietary information; or (c) pending material litigation matters involving any of our copyrights or proprietary information. We are not aware of any infringing uses that could materially affect your use of our copyrights or proprietary information.

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

Owner Participation

You must designate an owner with overall responsibility for the management and operation of your Studio (the "Managing Operator"). The Managing Operator must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) dedicate full-time efforts to the Business. The Managing Operator is not required to provide onsite management of your Studio as long as a trained Designated Manager is onsite. Any new Managing Operator you appoint must successfully complete our then-current initial training program before assuming responsibility for the supervision, management or operation of the Studio.

Except for your Managing Operator, we do not require that your owners personally participate in the management or operation of the Business. If you are an entity, each owner (i.e., each person holding an ownership interest in you) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "D". By signing the Franchise Owner Agreement, the owner (or spouse of the owner) agrees to: (a) comply with all brand protection covenants, covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee's financial obligations.

Designated Manager

You may hire one or more studio managers (each, a "Designated Manager") to assist the Managing Operator with onsite management and supervision of the Studio. Any person you hire as a Designated Manager must: (a) successfully complete all training programs we require; and (b) sign the Brand Protection Agreement attached to the Franchise Agreement as ATTACHMENT "F". At all times during normal business hours, either the Managing Operator or a Designated Manager must be present at the Studio to provide onsite management and supervision. The Managing Operator must monitor and supervise each Designated Manager to ensure the Studio is operated in accordance with the Franchise Agreement and Manual. You may also hire assistant Studio managers who would report to the Managing Operator or Designated Manager.

Regional Manager

If you own 3 or more Studios, you must appoint a person to supervise and oversee the operations of the Studios (the "Regional Manager"). Your Managing Operator may, but need not serve as the Regional Manager. In order to do so, the Managing Operator must dedicate full time efforts to the role of Regional Manager. Any person you hire as a Regional Manager must: (a) successfully complete all training programs we require; and (b) sign a Brand Protection Agreement.

Currently, we do not require that your Designated Manager, Regional Manager or other management personnel

own any equity interest in the franchise but we reserve the right to change this policy in the future.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved. At any time, we may change the goods and services you sell and you must comply with the change. You may only engage in retail sales to the end customer. All sales must take place at your Studio. You may not sell any products at wholesale or for resale. We may require you to participate in a gift card, customer loyalty, membership or other System program in accordance with our policies and procedures.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise agreement (FA), Area Development Agreement (ADA) and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of franchise term	FA: 1 (Definition of "Term") &4.1	Term is equal to 10 years from date of Franchise Agreement.
	ADA: 1 (definition of "Term")	Term expires on the opening date listed in development schedule for the last Studio you are required to develop.
b. Renewal or extension of the term	FA: 4.1 & 4.2	If you meet our conditions for renewal, you can enter into 3 consecutive successor franchise agreements. Each renewal term will be 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).
	ADA: 4.4	No renewal rights.
c. Requirements for you to renew or extend	FA: 4.1 & 4.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; remodel Studio and upgrade furniture, fixtures and equipment to current standards; and extend lease for duration of renewal term. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
	ADA: 4.4	You may not renew or extend the term of the ADA.
d. Termination by you	FA: 20.1	You can terminate if we default and fail to timely cure.
	ADA: Not Applicable	You can terminate under any grounds permitted by law.
e. Termination by us without cause	FA: 20.3	We can terminate without cause if you and we mutually agree to terminate.
	ADA: Not Applicable	Not applicable
f. Termination by us with cause	FA: 20.2	We can terminate if you default.
	ADA: 8.2	We can terminate if you default.
g. "Cause" defined - curable defaults	FA: 20.2	You have 10 days to cure any monetary default. You have 30 days to cure any other default, other than defaults described below under "non-curable defaults".
	ADA: 8.2	You have 30 days to cure any default, other than defaults described below under "non-curable defaults".

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
h. "Cause" defined - non-curable defaults	FA: 20.2	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site or open in timely manner; abandonment; failure to maintain required license or permit; conviction of certain crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2nd underreporting of Gross Sales by 3% or more; intentional concealment of Gross Sales; unauthorized Transfers; unauthorized use of our intellectual property; selling our proprietary or branded products to third parties, or reusing or recycling such products, without approval; violation of brand protection covenant; breach of Franchise Owner Agreement; breach of legal compliance representations; termination of lease due to your default; 3 or more default notices in a 18-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default. However, termination of an ADA due to breach of the development schedule is not grounds for termination of any Franchise Agreement that is otherwise in good standing.
	ADA: 8.2	If we terminate a franchise agreement due to your default, we may terminate the ADA without opportunity to cure.
i. Your obligations on termination /non-renewal	FA: 21.1	Obligations include: remove trade dress and alter premises to eliminate any resemblance to a Studio; cease use of intellectual property; return Manual and branded materials; assign telephone numbers, listings and domain names; assign customer information and accounts; cancel fictitious names; comply with data retention policies; pay us an amount equal to your Studio's total outstanding and unredeemed Prepaid Liabilities; and pay any other amounts due to us (also see "r", below).
	ADA: Not Applicable	The ADA does not impose any post-term obligations on you.
j. Assignment of contract by us	FA: 19.1	No restriction on our right to assign.
	ADA: 7.1	No restriction on our right to assign.
k. "Transfer" by you – definition	FA: 1 (definition of "Transfer") & 19.2	Includes ownership change or transfer of contract or assets.
	ADA: 1 (definition of "Transfer") & 7.2	Includes ownership change or transfer of contract or assets.
l. Our approval of transfer by you	FA: 1 (definition of "Permitted Transfer"), 19.2 & 19.3	You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.
	ADA: 1 (definition of "Permitted Transfer"), 7.2 & 7.3	You may engage in a Permitted Transfer. The ADA and area development rights are not otherwise transferable (subject to state law).

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
m. Conditions for our approval of transfer	FA: 19.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; agree in writing to assume your obligations under agreements relating to the Business; sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; and remodel Studio and upgrade furniture, fixtures and equipment to current standards within 12 months after Transfer or such shorter period of time we specify. You must: be in compliance with Franchise Agreement; assign lease (if applicable); pay transfer fee; subordinate transferee's ongoing payments owed to you (if any) to transferee's financial obligations owed to us; and sign general release (subject to state law). We must notify you that we will not exercise our right of first refusal.
	ADA: 7.2	ADA may not be transferred to a third party.
n. Our right of first refusal to acquire your business	FA: 19.5	We can match any offer for your business.
	ADA: Not Applicable	Not Applicable
o. Our option to purchase your business	FA: 21.2	We have the option to purchase your Studio (or the assets we designate) at the expiration or termination of the Franchise Agreement at fair market value (or with respect to our proprietary and/or branded products, at lesser of fair market value or $2,500).
	ADA: Not Applicable	The ADA does not include a purchase option.
p. Your death or disability	FA: 19.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate manager to operate the Studio prior to Transfer.
	ADA: 7.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers.
q. Non-competition covenants during the term of the franchise	FA: 14.3	No involvement in competing business.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.
r. Non-competition covenants after the franchise is terminated or expires	FA: 14.3 & 21.1	No involvement for 2 years in a competing business operated at your Studio or anywhere within a 15-mile radius from any Studio (including your Studio); cease communications with customers for any business-related purpose.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.
s. Modification of the agreement	FA: 24.3 & 24.8	Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants).
	ADA: 11.6	Requires writing signed by both parties.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
t. Integration/ merger clause	FA: 24.8	Only the terms of the Franchise Agreement, ADA (if applicable) and their attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document, Franchise Agreement and ADA may not be enforceable. Nothing in the Franchise Agreement, ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
	ADA: 11.6	
u. Dispute resolution by arbitration or mediation	FA: 22	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.
	ADA: 9	Subject to state law, all disputes must be mediated before litigation.
v. Choice of forum	FA: 22	Subject to state law, all mediation and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Miami-Dade County, Florida).
	ADA: 9	Subject to state law, all mediation and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Miami-Dade County, Florida).
w. Choice of law	FA: 24.1	Subject to state law, Florida law governs.
	ADA: 11.1	Subject to state law, Florida law governs.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

Defined Terms

In this financial performance representation, the following terms have the meanings given to them below:

"***Company-Owned Studio***" means any Studio that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person is also involved with the management of the Studio.

"***Converted Studio***" means any Studio that either: (a) was a Company-Owned Studio that was sold to a franchisee at any time during the Measuring Period; or (b) was a Franchised Studio that we or our affiliate reacquired from the franchisee at any time during the Measuring Period.

"***FPR***" means the financial performance representation set forth in Item 19 of this Disclosure Document.

"***Franchised Studio***" means any Studio that is owned by a franchisee.

"***Gross Sales***" means all gross sums that are generated from the sale of services and products through the operation of the Studio. Where applicable, Gross Sales also includes all other sums collected from the operation of the Studio, including any advertising revenues, sponsorship fees and business interruption insurance proceeds (however, none of the Qualifying Studios generated Gross Sales in 2023 from any source other than the sale of services and products through the operation of the Studio). Gross Sales excludes: (a) sales or use taxes; (b) amounts refunded to customers; (c) revenues from the sale of furniture, fixtures and equipment in the ordinary course of business; and (d) tips paid to and retained by staff members as a gratuity.

"***Measuring Period***" means the period of time commencing January 1, 2023 and expiring December 31, 2023.

"***Net Sales***" means Gross Sales less the reduced value of discounted or free goods and services provided to customers.

"***Qualifying Studio***" means any Studio that satisfies all of the following criteria: (a) the outlet is a Franchised Studio; (b) the outlet was open and operating throughout the entire Measuring Period; (c) the outlet provided us with all data we requested in order to prepare the FPR; and (d) the outlet is not a Converted Studio.

"***Tickets***" means the total number of transactions of the Studio. Tickets do not represent a total service count (i.e. if a customer received more than one service, both services would appear on a single Ticket).

"***Wax and Supplies Costs***" (also referred to as "product costs of goods sold") represents only the amount spent on products and supplies used during a service. Wax and Supplies Costs do not include the cost of goods sold relating to any retail sales. Wax and Supplies Costs also do not include service labor costs.

System Statistics

For purposes of this FPR, each Studio may be referred to as an "outlet." This FPR does not include data from any Company-Owned Studios.

As of December 31, 2023 (the last day of the Measuring Period) there were: (a) 32 Franchised Studios in operation (all of which are Qualifying Studios); and (b) 2 Company-Owned Studios in operation (neither of which is a Qualifying Studio). The table below summarizes the outlet statistics and the number of Qualifying Studios:

2023 Outlet Statistics						
Outlet Type	***Open Studios***		***Statistical Changes During 2023***			**Qualifying Studios**
	Jan 1, 2023	**Dec 31, 2023**	**Studios Opened**	**Studios Closed**	**Converted Studios**	
Franchised	32	32	0	0	0	32
Company-Owned	2	2	0	0	0	0
Total	34	34	0	0	0	32

Historically, the total number of waxing rooms in a Studio has had little effect on the Studio's Gross Sales. Our current model requires between 4 and 7 waxing rooms. Our model as of 2022 required between 3 and 6 waxing rooms. The number of waxing rooms in the Qualifying Studios ranges from 2 waxing rooms to 9 waxing rooms. We are not aware of any other material differences between the operations of the Qualifying Studios and the franchised business offered under this Disclosure Document.

Categories Utilized

The financial performance representation includes 2023 Gross Sales and Net Sales data for the 32 Qualifying Studios described above. We have separated the data into categories based on Studio rank for each of 4 metrics—Gross Sales, Net Sales, Ticket Count, and Wax and Supplies Costs—measured in the Tables below. Rankings are measured independently for each of the 4 Tables below (i.e. the ranked order of the Studios for purposes of Table 1 is not the same as the ranked order of the Studios for purposes of Table 2, Table 3 or Table 4). The categories utilized are as follows:

- Top 5 Studios: this includes the highest 5 Studios out of 32 total Qualifying Studios. For purposes of Wax and Supplies Costs, the top 5 Studios were those Studios that experienced the highest costs (and, conversely, the bottom 5 Studios were those Studios that experienced the lowest costs).
- Top 3rd of Studios: this includes the highest 11 Studios out of 32 total Qualifying Studios, and includes the top 5 Studios.
- Bottom 3rd of Studios: this includes the lowest 11 Studios out of 32 total Qualifying Studios, and includes the bottom 5 Studios.
- Bottom 5 Studios: this includes the lowest 5 Studios out of 32 total Qualifying Studios.

Financial Performance Representation

Table 1: Includes Gross Sales data for all Qualifying Studios, and includes the average, median, high and low Gross Sales, and number and percentage of Qualifying Studios that met or exceeded average Gross Sales.

Table 2: Includes Net Sales data for all Qualifying Studios, and includes the average, median, high and low Net Sales, and number and percentage of Qualifying Studios that met or exceeded average Net Sales.

Table 3: Includes Ticket data for all Qualifying Studios, and includes the average, median, high and low Tickets, and number and percentage of Qualifying Studios that met or exceeded average Tickets.

Table 4: Includes Wax and Supplies Costs data for all Qualifying Studios, and includes the average, median, high and low Wax and Supplies Costs, and number and percentage of Qualifying Studios that met or exceeded average Wax and Supplies Costs.

Table 1
2023 Gross Sales for Qualifying Studios

32 Qualifying Studios	Top 5 (5 Studios)	Top 3rd (11 Studios)	Bottom 3rd (11 Studios)	Bottom 5 (5 Studios)	All Studios (32 Studios)
Average Gross Sales	$1,265,272	$1,026,372	$368,456	$287,591	$669,624
Number/Percentage Attaining Average	2 of 5 (40%)	4 of 11 (36%)	6 of 11 (55%)	3 of 5 (60%)	13 of 32 (41%)
Median Gross Sales	$1,148,743	$974,147	$402,880	$330,113	$602,016
Highest Gross Sales	$1,633,464	$1,633,464	$464,088	$349,278	$1,633,464
Lowest Gross Sales	$1,023,820	$756,953	$140,424	$140,424	$140,424

Table 2 2023 Net Sales for Qualifying Studios					
32 Qualifying Studios	**Top 5 (5 Studios)**	**Top 3rd (11 Studios)**	**Bottom 3rd (11 Studios)**	**Bottom 5 (5 Studios)**	**All Studios (32 Studios)**
Average Net Sales	$1,190,478	$966,769	$345,563	$266,557	$629,883
Number/Percentage Attaining Average	2 of 5 (40%)	4 of 11 (36%)	6 of 11 (55%)	3 of 5 (60%)	13 of 32 (41%)
Median Net Sales	$1,099,540	$930,154	$373,562	$308,262	$559,103
Highest Net Sales	$1,544,818	$1,544,818	$446,226	$329,728	$1,544,818
Lowest Net Sales	$953,900	$710,593	$116,346	$116,346	$116,346

Table 3 2023 Ticket Count for Qualifying Studios					
32 Qualifying Studios	**Top 5 (5 Studios)**	**Top 3rd (11 Studios)**	**Bottom 3rd (11 Studios)**	**Bottom 5 (5 Studios)**	**All Studios (32 Studios)**
Average Number of Tickets	19,528	16,235	5,916	4,537	10,654
Number/Percentage Attaining Average	3 of 5 (60%)	4 of 11 (36%)	5 of 11 (45%)	3 of 5 (60%)	12 of 32 (38%)
Median Number of Tickets	20,413	15,149	5,784	5,140	9,710
Highest Number of Tickets	24,202	24,202	7,972	5,462	24,202
Lowest Number of Tickets	15,848	11,354	2,294	2,294	2,294

Table 4 2023 Wax and Supplies Costs for Qualifying Studios					
32 Qualifying Studios	**Top 5 (5 Studios)**	**Top 3rd (11 Studios)**	**Bottom 3rd (11 Studios)**	**Bottom 5 (5 Studios)**	**All Studios (32 Studios)**
Average Wax and Supplies Costs	$148,908	$119,066	$27,548	$21,066	$68,326
Number/Percentage Attaining Average	2 of 5 (40%)	5 of 11 (45%)	5 of 11 (45%)	3 of 5 (60%)	13 of 32 (41%)
Median Wax and Supplies Costs	$145,355	$117,940	$27,051	$22,571	$54,907
Highest Wax and Supplies Costs	$163,542	$163,542	$41,974	$26,810	$163,542
Lowest Wax and Supplies Costs	$137,045	$78,244	$11,665	$11,665	$11,665

Notes:

1. Prior to our change in policy that took effect April 15, 2024, proceeds from the sale of Series would be remitted to us and we would submit payments to the Studios as treatments were redeemed. Any "breakage" (i.e., proceeds attributable to treatments that were never utilized) was kept by us. Under our new policy, franchisees keep all proceeds from the sale of Series (including breakage) provided that they satisfy certain criteria set forth in the Franchise Agreement. This may result in higher Gross Sales to the franchisee at the time of sale and due to the retention of breakage. The Gross Sales figures disclosed in this FPR were determined in accordance with our former policy.

2. In making the above financial performance representation for Qualifying Studios, we relied upon sales reports generated by the point-of-sale system. The data has not been audited.

3. The financial performance representation is based on the historical results from the Qualifying Studios described above.

4. The financial performance representation does not include any expense information other than Wax and Supplies Costs. As a franchisee, you will incur additional expenses, such as payroll, rent, marketing, replenishment of inventory and operating supplies, utilities as well as the initial and ongoing fees imposed under the Franchise Agreement.

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

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Daniel Franzblau at 300 SW 1st Ave, Suite 155, Ft. Lauderdale, Florida 33301 (on or before October 1, 2024) or DCOTA Office Center (3rd Floor, Suite A-310), 1855 Griffin Rd., Dania Beach, Florida 33004 (after October 1, 2024) by phone at (305) 949-9294, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	30	29	-1
	2022	29	32	+3
	2023	32	32	0
Company-Owned	2021	1	2	+1
	2022	2	2	0
	2023	2	2	0
Total Outlets	2021	31	31	0
	2022	31	34	+3
	2023	34	34	0

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023

State	Year	Number of Transfers
Florida	2021	6
	2022	0
	2023	0
New York	2021	0
	2022	2
	2023	0
New Jersey	2021	1
	2022	0
	2023	0

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023		
State	**Year**	**Number of Transfers**
Total	2021	7
	2022	2
	2023	0

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Terminations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Florida	2021	16	0	0	0	1	0	15
	2022	15	1	0	0	0	0	16
	2023	16	0	0	0	0	0	16
New Jersey	2021	1	1*	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	13	0	0	0	0	1	12
	2022	12	1	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Texas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2021	30	1	0	0	1	1	29
	2022	29	3	0	0	0	0	32
	2023	32	0	0	0	0	0	32

* This outlet was sold by one franchisee to another in 2020. The Studio closed in 2020 after the transfer and reopened in 2021 after the buyer obtained the required licensure from the state of New Jersey.

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Florida	2021	1	0	1	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Totals	2021	1	0	1	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2*

* On December 29, 2023, we entered into an Asset Purchase Agreement for the sale of one of our company-owned Studios to a franchisee. However, the closing of the acquisition did not occur before the end of 2023

so this outlet remains classified as a company-owned Studio as of the end of 2023.

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
Florida	2	0	0
Total	2	0	0

A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "F" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2023. In addition, EXHIBIT "F" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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.

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31st. Attached to this Disclosure Document as EXHIBIT "G" are our audited financial statements including a balance sheet as of December 31, 2023 and a profit and loss statement from June 5, 2023 through December 31, 2023. In addition, an unaudited balance sheet as of May 31, 2024 and an unaudited profit and loss statement from January 1, 2024 through May 31, 2024 are attached to this Disclosure Document as EXHIBIT "G". Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C" Franchise Agreement
EXHIBIT "D" Area Development Agreement
EXHIBIT "H"-1 State Addenda
EXHIBIT "H"-2 Franchisee Disclosure Questionnaire **(Questionnaire may not be signed or used if the franchisee resides within, or the franchised business will be located within, a franchise registration state)**
EXHIBIT "H"-3 General Release

Attachments to Franchise Agreement

ATTACHMENT "B" Form of Site Approval Notice
ATTACHMENT "C" Lease Addendum
ATTACHMENT "D" Franchise Owner Agreement

ATTACHMENT "E" ACH Authorization Form
ATTACHMENT "F" Brand Protection Agreement
ATTACHMENT "G" Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "J" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677

HAWAII
Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

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

ILLINOIS
Illinois Attorney General
Chief, Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA
Secretary of State
Securities Division
Room E-018
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Franchise Section
Consumer Protection Division
525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Director of Registration
85 Seventh Place East, #280
St. Paul, Minnesota 55101-3165
(651) 539-1500

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8222

Agents for Service of Process:
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231

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

RHODE ISLAND
Department of Franchise Regulation
1511 Pontiac Avenue, John O. Pastore Complex, Bldg 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance Securities Regulation
124 S Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

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

Agents for Service of Process:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W Washington Avenue, Suite 500, Madison, WI 53703
(608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

Capitol Services, Inc.
108 Lakeland Ave.
Dover, Delaware 19901
(800) 316-6660

In states listed in EXHIBIT "A", the additional agent for Service of Process is listed in EXHIBIT "A"

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]

UNI K WAX® FRANCHISE AGREEMENT

FRANCHISEE: _____
DATE: _____

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ATTACHMENTS

ATTACHMENT "A"	Deal Terms
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ATTACHMENT "F"	Brand Protection Agreement
ATTACHMENT "G"	Confidentiality Agreement

UNI K WAX® FRANCHISE AGREEMENT

This UNI K WAX® Franchise Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Uni K Wax Franchising, LLC, a Delaware limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement have the meanings given to them below:

"*Account*" means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §13.5.

"*ACH Agreement*" means the ACH Authorization Agreement attached as ATTACHMENT "E", which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.

"*Acquired Assets*" means any assets associated with your Studio that we elect to purchase upon termination or expiration of this Agreement, as further described in §21.2(a).

"*Agreement*" is defined in the Introductory Paragraph.

"*Alternative Channels of Distribution*" means any channel of distribution other than retail sales made to customers while present at a Studio, including, but not limited to, sales of UKW Products or other items: (a) through direct marketing, such as over the Internet or through catalogs or telemarketing; (b) through retail stores that do not operate under the Marks, such as grocery stores or department stores; (c) to competitive or non-competitive businesses that do not operate under the Marks, such as the sale of wax (other than the ElastiK wax line) to independent aestheticians; and (d) at wholesale.

"*Anti-Terrorism Law*" means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists, orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

"*Appraised Value*" means the fair market value of the Acquired Assets as determined by independent appraisers in accordance with §21.2(b).

"*Brand Protection Agreement*" means the Brand Protection Agreement that must be signed by your Designated Managers pursuant to §8.2, the current form of which is attached as ATTACHMENT "F".

"*Business*" means the franchised business you operate pursuant to this Agreement.

"*Business Data*" means, collectively or individually, Customer Data and Operational Data.

"*Certified Waxer Instructor*" means a Person you appoint who satisfies all requirements in §5.2 and is authorized to provide Waxer Certification Training and Waxer Recertification Training to your Waxers.

"*Claim*" means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

"*Competing Business*" means any business that meets at least one of the following criteria: (a) any business that derives, or can reasonably be expected to derive, at least 20% of its revenues from the sale of waxing and/or other hair removal services and products; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any UNI K WAX® Studio operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Definitive Agreements and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works,

improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Confidentiality Agreement*" means the Confidentiality Agreement that must be signed by certain of your employees pursuant to §14.5, the current form of which is attached as ATTACHMENT "G".

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Studio.

"*Customer Data*" means and includes any and all data that pertains to a Studio customer, including, without limitation, name, address, contact information, date of birth, purchase history and any information collected in connection with any loyalty or membership program or for any other purpose.

"*Definitive Agreements*" means, collectively: (a) this Agreement; (b) the Area Development Agreement pursuant to which this Agreement is executed (if applicable); (c) any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for a Studio or any other franchised concept; and (d) all ancillary agreements executed in connection with the foregoing, including Franchise Owner Agreements.

"*Designated Manager*" means a Person you hire in accordance with §8.2 to provide, or assist the Managing Operator with providing, onsite management and supervision of your Studio.

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

"*Effective Date*" is defined in the Introductory Paragraph.

"*Entity*" means a corporation, partnership, limited liability company or other form of association.

"*Equity Interest*" means a direct or indirect ownership or beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or beneficial interest in an Entity (including voting rights).

"*Excluded Claim*" means any Claim that, according to §22, is not subject to mandatory mediation.

"*Force Majeure*" means acts or circumstances that are beyond a party's control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party provides written notice to the other party of the Force Majeure event promptly after becoming aware of the occurrence of such event; (b) the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions by the non-performing party; (c) nothing herein shall excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates closure (or prevents the opening) of the Studio as a result of such epidemic or pandemic.

"*Franchise Owner Agreement*" means the Franchise Owner Agreement that must be signed by the Owners and their spouses pursuant to §9, the current form of which is attached as ATTACHMENT "D".

"*Franchisee Entity*" means the Entity, if applicable, that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §4.2 (in connection with a renewal of your franchise rights) or §19.2 (in connection with a Transfer).

"*Government Official*" means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state-owned and state-operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.

"*Governmental Authority*" means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, and including any court or taxing authority.

"*Gross Sales*" means the total gross sums generated from all goods and services (including memberships, Series and packages) sold from or in connection with your Studio, together with all other revenues and monies derived in connection with your Studio, including advertising revenues, sponsorship fees and business interruption insurance proceeds. Gross Sales includes the full amount of our suggested retail price of any free or discounted goods or services you provide unless we approve the discount program in advance. Gross Sales excludes: (a) any sales or use taxes you pay to a Governmental Authority; (b) revenues you collect from a customer and later refund to that customer in a bona fide refund transaction; (c) revenues derived from the sale of furniture, fixtures or equipment in the ordinary course of business; and (d) tips paid to and retained by staff members as a gratuity. The Manual may include policies governing the manner in which proceeds from the sale of gift cards, memberships, Series and packages are treated for purposes of calculating Gross Sales. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions by members under any loyalty or membership program we implement.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Studio, (b) method of operation of a Studio, (c) processes, systems or procedures utilized by a Studio, including new or modified waxing techniques, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Studio or (e) trademarks, service marks, logos or other intellectual property utilized by a Studio, whether developed by you, your Owners, your employees or any other Person.

"*Indemnified Party*" or "*Indemnified Parties*" means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Interim Manager*" means a Person we designate to temporarily manage your Studio under the circumstances described in §8.6.

"*Interim Term*" means a month-to-month extension of the Term under the circumstances described in §4.3.

"*IP Dispute*" means any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person, other than us or our affiliate, of any rights in or to the Intellectual Property.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Studio, including, but not limited to: architectural plans, drawings and specifications for a prototype Studio; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; financial information; and information comprising the System or included in the

Manual.

"*Law*" means and includes all laws, judgments, decrees, orders, rules, regulations, ordinances, advisory opinions or official legal interpretations of any Governmental Authority.

"*Local Advertising Commitment*" means the minimum amount of money you must spend each month on local advertising and marketing to promote your Studio in accordance with §10.3(b).

"*Losses and Expenses*" means and includes any or all of the following: compensatory, exemplary and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to reputation or goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or otherwise incurred by an Indemnified Party.

"*Managing Operator*" means the Owner you designate and we approve with primary responsibility for the overall management and supervision of the Studio in accordance with §8.1.

"*Manual*" means our confidential Brand Standards Manual for the operation of a Studio, as further described in §11.2. The Manual may consist of written text as well as videos, tutorials, training modules, recordings and/or other means of communication.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Studios to use, including "UNI K WAX®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Studio or the products it sells.

"*Operational Data*" means and includes all data and information pertaining to the operation of your Studio including employee data, expense data, financial accounting data and Gross Sales data.

"*Owner*" means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries owns any Equity Interest in the Franchisee Entity (if the franchisee under this Agreement is an Entity).

"*PCI-DSS*" means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at https://www.pcisecuritystandards.org as of the Effective Date.

"*Permitted Transfer*" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer that results in the Managing Operator no longer holding a material ownership interest in the Business or Equity Interest in the Franchisee Entity, as applicable; and/or (b) a Transfer by the Owners to a newly established Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests.

"*Person*" means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

"*Post-Term Restricted Period*" means, with respect to you, a period of two (2) years after the termination, expiration or Transfer of this Agreement; *provided, however*, that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable, then Post-Term Restricted Period means a period of one (1) year after the termination, expiration or Transfer of this Agreement.

"*Post-Term Restricted Period*" means, with respect to an Owner, a period of two (2) years after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner's Transfer of his or her entire ownership interest in the Business or the Franchisee Entity, as applicable; *provided, however*, that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable, then Post-Term Restricted Period means a period of one (1) year after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner's Transfer of his or her entire ownership interest in the Business or the Franchisee Entity, as applicable.

"*Prepaid Liabilities*" means, as of a given point in time, the total amount of outstanding prepaid liabilities

carried by your Studio as a liability for unredeemed gift cards, Series, memberships or other prepaid items purchased by customers from your Studio (provided that we allow you to retain all of the proceeds from these sales).

"*Program Participation Rules*" means the policies, procedures, fees and other requirements pertaining to any gift card, loyalty, membership or other system-wide program we implement pursuant to §11.11.

"*Prohibited Activities*" means and includes any of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative or in any similar capacity) in a Competing Business other than owning an interest of 5% or less in a publicly traded company that is a Competing Business; (b) disparaging or otherwise making negative comments about us, our affiliate, the System and/or any Studio; (c) diverting or attempting to divert any business from a Studio; and/or (d) inducing any customer of a Studio to transfer their business to a competitor.

"*Project Management Services*" means the services provided by the Project Manager relating to the design, construction and development of your Studio, as further described in §6.3.

"*Project Manager*" means the Person we designate (which may be us or an unaffiliated company) to serve as your Project Manager and provide the Project Management Services.

"*Restricted Territory*" means the geographic area within: (a) a 15-mile radius from your Studio (and including your Studio's premises itself); and (b) a 15-mile radius from all other Studios that are operating or under construction as of the Effective Date and remain in operation or under construction during all or any part of the Post-Term Restricted Period; *provided, however*, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then Restricted Territory means the geographic area within a 10-mile radius from your Studio (and including your Studio's premises itself).

"*Series*" means a prepaid purchase made by a customer that entitles the customer to redeem multiple treatments (or other goods or services) on subsequent visits.

"*Site Approval Notice*" means the Site Approval Notice attached as ATTACHMENT "B" that we issue to you pursuant to §3 and §7.1 to identify the approved site for your Studio and designate your Territory.

"*Site Selection Area*" means the geographic area described in Part B of ATTACHMENT "A" and within which you must find a site we approve for your Studio.

"*Startup Package*" means and includes the various items you must purchase from our affiliate prior to opening in accordance with §6.2.

"*Studio*" means any UNI K WAX® Studio that is authorized to operate under our Marks and use our System. A Studio may refer to a UNI K WAX® Studio operated by us, our affiliate, you or another franchisee, as the context may require.

"*Successor Agreement*" means our then-current form of UNI K WAX® Franchise Agreement you must sign pursuant to §4.2 in order to renew your franchise rights.

"*System*" means the system developed for the operation of a Studio, the characteristics of which include: the Marks; distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; UKW Products; high quality waxing services, techniques and products; comprehensive training programs; advertising and marketing strategies; merchandising strategies; and operating system.

"*Technology Systems*" means and includes all information and communication technology systems we specify from time to time, including, without limitation, computer systems, point-of-sale systems, webcam systems, telecommunications systems, surveillance systems, security systems, music systems, digital display systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

"*Term*" means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

"*Territory*" means the exclusive territory for your Studio, as further described in §3.

"*Transfer*" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);

(c) the Business you conduct pursuant to this Agreement (or any interest therein);

(d) the right to manage the Studio or occupy its premises;

(e) the Studio's assets, other than the sale of fixtures or equipment in the ordinary course of business; or

(f) an Equity Interest in the Franchisee Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests in the Franchisee Entity; foreclosure of a security interest by a lender; or operation of Law, will or a trust upon the death of an Owner, including the Laws of intestate succession.

"*Travel Expenses*" means and includes all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Studio; or (b) by you and your personnel to attend training programs or conferences.

"*UKW Products*" means and includes all: (a) proprietary and/or custom-manufactured products that we designate for use or sale in connection with the development and/or operation of a Studio; and (b) products branded with any of our Marks.

"*Waxer*" means any Person who provides waxing hair removal services at your Studio.

"*We*" or "*us*" is defined in the Introductory Paragraph.

"*You*" is defined in the Introductory Paragraph.

2. GRANT OF FRANCHISE. We hereby grant you the right, license and obligation to own and operate one (1) Studio using our Intellectual Property from the site we approve. As a franchisee, you will establish and operate a studio offering wax hair removal services to men and women using certain proprietary products and techniques. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS. We grant you a territory (your "Territory") that includes a minimum population of 25,000 as of the date the Territory is determined. If we determine your Territory prior to execution of this Agreement, we will describe your Territory in Part D of ATTACHMENT "A". Otherwise, we will describe your Territory in the Site Approval Notice we send to you after approving your site. During the Term we will not develop or operate, or license a third party to develop or operate, a Studio that is physically located within the Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) through Alternative Channels of Distribution, including within the Territory.

4. TERM AND RENEWAL.

4.1. Generally. This Agreement grants you the right to operate your Studio only during the Term. Provided that you satisfy all conditions for renewal specified below, you may enter into a maximum of three (3) Successor Agreements following the expiration of the Term. The Successor Agreement shall be the current form of franchise agreement we use in granting franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. Upon renewal, we also reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. Each renewal term will be five (5) years. The parties may agree to further renewals after expiration of the third (3rd) renewal term, but neither party is obligated to do so (unless required by applicable state Law, in which case the same renewal terms and conditions set forth in this Agreement shall apply to subsequent renewals). If this Agreement is a Successor Agreement, the

renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement and your remaining renewal rights, if any.

4.2. Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must:

(i) notify us in writing of your desire to enter into a Successor Agreement not less than 270 days nor more than 360 days before the expiration of the Term or renewal term, as applicable;

(ii) not be in default under any Definitive Agreement at the time you send the renewal notice or sign the Successor Agreement;

(iii) sign the Successor Agreement and all ancillary documents we require franchisees to sign;

(iv) sign a General Release;

(v) pay us a $5,000 renewal fee;

(vi) remodel the Studio and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications; and

(vii) extend the term of your lease for the duration of the renewal term.

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise.

4.3. Interim Term. If you do not sign a Successor Agreement but continue to operate your Studio after the expiration of the Term, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating in violation of our rights; or (b) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

5. TRAINING AND CONFERENCES

5.1. Initial Training Program. Your Managing Operator, Designated Managers, Waxers and other employees and staff members that we designate must attend and successfully complete our initial training program before you open your Studio. Our initial training program, and the constituent components, are described in the Manual and may change from time to time. As of the Effective Date, initial training includes the following components: Franchise Orientation Training; Franchise Management and Operations Training (referred to as "Management Training"); Waxer Certification Training; Onsite Preopening Training; Bounce-Back Training; and Certified Waxer Instructor Training. The Manual may designate: (a) the specific personnel who must attend each component of our training program; (b) the location where training is held (we may conduct any component(s) of the training program virtually); (c) the number of days prior to (or after) your projected opening date by which these individuals must complete training; (d) any fees, charges or expense reimbursements associated with a training program; and (e) any other training-related details we deem relevant. For Onsite Preopening Training, we send a representative to your Studio

to provide approximately 40 hours of onsite training and assistance with the opening of your Studio (referred to as "Onsite Preopening Training"). Any new Managing Operator, Designated Manager, Regional Manager, Waxer and/or Certified Waxer Instructor you hire after opening must complete our then-current initial training program applicable to the position prior to assuming the responsibilities associated with the position.

5.2. **Certified Waxer Instructor.** After your Studio opens, we highly recommend that you appoint a qualified member of your staff to serve as your "Certified Waxer Instructor". Once certified, your Certified Waxer Instructor will be authorized to provide Waxer Certification Training (and recertification training) to your Waxers in accordance with our training program, curriculum and policies. Any Person you appoint to serve as a Certified Waxer Instructor must: (a) have previously and successfully completed Waxer Certification Training; (b) have at least six (6) months' experience working as a Waxer in a Studio or, with our approval, another waxing studio not affiliated with our brand; (c) successfully complete Certified Waxer Instructor Training, which is our "train-the-trainer" certification training program; and (d) successfully complete any Waxer Instructor Recertification that we require. If any of your Waxers require training at a time when you do not have a Certified Waxer Instructor in place, we will provide the training and you must pay us any applicable training fees and expense reimbursements.

5.3. **Ongoing Training Programs.** We may offer periodic refresher or additional training courses for your Managing Operator, Designated Managers, Regional Manager (if applicable), Waxers and/or Certified Waxer Instructor. We may designate each course as mandatory or optional. If we determine your Studio is not being operated in full compliance with this Agreement and the Manual we may, at our option, require that your Managing Operator, Designated Managers, Regional Manager (if applicable), Waxers and/or Certified Waxer Instructor attend remedial training that is relevant to, and intended to address, the operational deficiencies we identify. We may, but need not, provide additional assistance or training requested by you at a mutually convenient time.

5.4. **Training Locations.** Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually.

5.5. **Training Fees and Expenses.** Upon execution of this Agreement, you must pay us a nonrefundable $5,000 initial training fee which covers the following initial training programs we conduct prior to opening (and Bounce Back Training that we conduct after opening): Franchise Orientation Training; Management Training; Waxer Certification Training; Onsite Preopening Training; and Bounce-Back Training. If Onsite Preopening Training and/or Waxer Certification Training exceeds five (5) days, then we may also charge an additional training fee of $500 per trainer per day, commencing with the sixth (6th) day of training. After your Studio opens, we may charge the following training fees and expense reimbursements:

POST-OPENING TRAINING FEES AND EXPENSES		
Type of Training	**Fee**	**Trainees**
Management Training	$500 per person	Any new Managing Operator or Designated Manager you appoint after opening.
Waxer Certification Training*	*[At K University®]* $1,000 per Waxer	Any new Waxer you hire after opening.
	[At Your Studio] $1,500 per Waxer plus reimbursement of our Travel Expenses	
	Extra $100 per Waxer per day, commencing 6th day, if training exceeds 5 days	

POST-OPENING TRAINING FEES AND EXPENSES		
Type of Training	**Fee**	**Trainees**
Waxer Recertification Training*	$100 per Waxer per day	Any Waxer we believe requires additional training or who returns to work at your Studio after being absent for 90 or more days.
Certified Waxer Instructor Training*	$1,000 per Certified Waxer Instructor	Any Certified Waxer Instructor on your staff.
Waxer Instructor Recertification Training*	$200 per Certified Waxer Instructor per day	Any Certified Waxer Instructor on your staff.
Remedial Training	$500 per Person per day	Any Person we designate who we believe requires additional training based on operational deficiencies we observe.
Training or Assistance You Request	$500 per Person per day	Any Person for whom you request that we provide additional training or assistance beyond what we are obligated to provide under this Agreement.
Onsite Training	Reimbursement of our Travel Expenses (in addition to any other applicable training fees)	Applies to onsite training we conduct after your Studio's opening date. Does not apply to the 5-day Onsite Preopening Training or 5-day Waxer Certification Training we provide onsite at the time of your soft opening.

* The fees listed in this table for Waxer Certification Training and Waxer Recertification Training only apply if we conduct the training. They do not apply if you have a Certified Waxer Instructor on staff that conducts the training.

You are responsible for all wages, benefits and Travel Expenses you and your personnel incur to attend training programs.

5.6. **Conferences**. We may hold periodic conferences to discuss business and operational matters relevant to Studios. Attendance is mandatory for your Managing Operator and Designated Managers unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. We may charge you a conference registration fee of up to $750 per Person per conference. We may charge you a $1,000 non-attendance fee if a required attendee fails to attend a mandatory conference without obtaining a waiver from us. You are responsible for all wages and Travel Expenses you and your personnel incur to attend conferences.

6. OTHER FRANCHISOR ASSISTANCE.

6.1. **Manual.** We provide you with access to our Manual during the Term. We currently provide access to the Manual through E-Studio. The Manual will help you develop and operate your Studio. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. **Startup Package**. As part of our centralized purchasing program, you must purchase the Startup Package we designate from our affiliate a minimum of three (3) weeks before your anticipated opening date. Our current Startup Package includes: (a) uniforms; (b) furniture; (c) retail inventory items; (d) promotional and printed materials; (e) operating supplies; and (f) operating equipment. The Startup Package does not include all of the furniture, operating supplies and equipment you must purchase. Any items not included in the Startup Package must be purchased from third-party suppliers. You must pay the associated purchase price within 10 days after invoicing. We may change the items included in the Startup Package, and the associated cost, at any time. Our affiliate will arrange for the items within the Startup Package to be shipped to your Studio. You understand that, with the exception of our proprietary wax and certain waxing supplies that are manufactured according to our specifications, our affiliate purchases the items included in the Startup Package

from third-parties and resells them to you as a convenience. Neither we nor our affiliate make any representations or warranties regarding the items included within the Startup Package and you hereby waive any and all claims against us and/or our affiliate relating to these items, the use or consumption of any of these items by you or your customers, and/or any defects in any of these items. WE AND OUR AFFILIATE DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE PERTAINING TO ANY ITEMS YOU PURCHASE FROM US OR OUR AFFILIATE. At any time, we reserve the right to require that you purchase some or all of the items included within the Startup Package directly from third-party suppliers that we designate.

6.3. **Project Management Services.** We will designate the Person who will serve as your Project Manager. You must pay the Project Manager a nonrefundable $14,500 project management fee at the time you sign the lease or purchase agreement for your Studio's premises. In exchange for this fee, the Project Manager will provide project management services relating to the design, construction and development of your Studio ("Project Management Services") including assistance with: (a) developing a preliminary layout and design for your Studio; (b) coordinating with your architect and reviewing construction plans and permits; (c) preparing bids and selecting your general contractor; (d) monitoring construction progress; and (e) supporting the scheduling and installation of signage, furniture, fixtures and equipment. Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager's role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Studio development process and allow you to open the Studio as quickly as possible. In most instances, we anticipate designating an unaffiliated real estate company to serve as the Project Manager. However, we reserve the right to designate ourselves as the Project Manager.

6.4. **General Guidance.** We will periodically review and evaluate your Studio and reports you submit to us and provide our guidance and recommendations on ways to improve the operation of your Studio. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication.

6.5. **Field Visits**. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Studio. We may prepare and provide you with a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve such problems or concerns. You must implement all required corrective measures in the time and manner we specify.

6.6. **Revenue Allocation Services**. We may, but need not, provide centralized revenue allocation services in connection with purchases of memberships, gift cards and/or Series, including purchases made by customers at your Studio. If we choose to provide this service, you must fully participate and follow all procedures in the Manual pertaining to customers who purchase a membership, gift card or Series from your Studio. We may require you to remit all or a portion of the sales proceeds from these purchases to us, in which case we will deposit these funds into an account owned by us for subsequent disbursement to your Studio and/or other Studios visited by the customer. We would disburse these payments to you and/or other Studios in accordance with the policies and procedures we establish.

6.7. **E-Studio.** We will provide you with access to E-Studio, which is our current extranet platform through which franchisees may access the Manual, training materials and any other information we deem appropriate. You must regularly access and monitor E-Studio for announcements (including revisions to the Manual), new developments and other notices from us. You may not allow any Person to access E-Studio who has not signed a Franchise Owner Agreement, Brand Protection Agreement or Confidentiality Agreement. We may terminate the E-Studio platform at any time.

6.8. **Website.** We will maintain a corporate website for our brand. We will also develop and host a local

webpage for your Studio that will be linked to our corporate website. Your webpage will include such information about your Studio that we deem appropriate, such as location, contact information, hours of operation and special promotions. We must approve all content on your webpage. We will consider information you suggest in good faith. We will own the website (including your webpage) and domain name at all times. We may change or discontinue the website and/or your local webpage at any time in our sole discretion.

6.9. **Email Addresses**. At no additional charge, we provide you with two (2) unikwax.com email addresses for use with your Business. If we provide you with additional email addresses, we may charge you our then-current fee for each additional email address we provide (this fee would be added to the technology fee described in §11.9). You must exclusively use the email addresses we provide for all communications with us, customers, suppliers and other Persons relating to your Business. You may not use them for any purpose unrelated to your Business. We own the email addresses and accounts but allow you to use them during the Term.

6.10. **Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. We will arrange for you to be able to purchase the goods directly from the suppliers at the discounted prices we negotiate (subject to any rebates the suppliers pay to us). We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.

6.11. **Call Center.** We may operate, or designate a third-party provider to operate, a call center to answer calls, set customer appointments, route new customer leads to an appropriate Studio and provide other related services. You must participate in the call center program and pay all reasonable setup and monthly fees designated by us or the third-party provider. Participation in the program may include, without limitation:

(i) using and publishing a telephone number that we designate;

(ii) engaging a designated service provider to provide call center services;

(iii) acquiring, installing, and using related technology; and

(iv) executing any related user or service agreement designated by us or the third-party provider.

At any time that we are not implementing a call center program, you must arrange for the answering of all incoming phone calls during regular business hours.

7. ESTABLISHING YOUR BUSINESS

7.1. **Site Selection**. You must contract with our designated real estate company to assist you in finding a site for your Studio. We may require you to pay us the fee imposed by our designated real estate company, in which case we will remit the sum to the real estate company on your behalf. However, it is your responsibility to find a site that meets both your and our minimum standards and criteria. You must locate and obtain our approval of the site for your Studio within 90 days after the Effective Date. The premises must be located within the Site Selection Area and conform to our minimum site selection criteria. You must send us a complete site report that includes all documents, information, photos and video we require, including CAD files and a site survey for the Studio. We may accept or reject each site you propose in our commercially reasonable judgment. We will use best efforts to issue our approval or disapproval within 15 business days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 15 business-day period. If we approve the site for your Studio prior to execution of this Agreement, we will list the address of your approved site in Part C of ATTACHMENT "A". Otherwise, we will list the address of your approved site in a Site Approval Notice we will send to you within 15 days after approving your site. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section and send us a copy for our records. Our approval of the site (and

designation of your Territory, if applicable) shall be deemed immediately effective and binding on you at the time we issue the Site Approval Notice, regardless of whether you send us the signed acknowledgment. Our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Studio. It indicates only that we believe the site meets our minimum criteria.

7.2. **Lease**. You must contract with our designated real estate company to assist you in identifying sites and reviewing and negotiating your lease or purchase agreement. If you lease the premises for your Studio, you must use best efforts to ensure your landlord signs the Lease Addendum attached to this Agreement as ATTACHMENT "C". If your landlord refuses to sign the Lease Addendum in substantially the form attached to this Agreement we may either: (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require you to find a new site for your Studio. You must promptly send us a copy of your fully executed lease and Lease Addendum for our records.

7.3. **Studio Design.** The Manual includes our standards and specifications pertaining to the design, layout, equipping and trade dress for a Studio. We may also provide you with prototype plans for a Studio. We must approve the number of waxing rooms at your Studio. Our current model requires between four (4) and seven (7) waxing rooms. You must hire a licensed and bonded architect to prepare the initial design plans for the construction of your Studio and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all Laws (including the Americans with Disabilities Act), building codes, permit and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. The limited purpose of our review is to verify the construction plans are consistent with our system standards. We may require that you utilize an architect and/or engineer that we designate or approve.

7.4. **Construction.** After we approve your construction plans, you must, at your sole expense, construct and equip the premises according to the approved construction plans and the specifications in the Manual. We may require that you utilize a general contractor that we designate or approve. You must also purchase (or lease) and install all equipment, Technology Systems, fixtures, signs and other items we require. At all times during the construction process, you must maintain the minimum general liability and property damage insurance required by the Manual.

7.5. **Opening**. You must open your Studio to the public within 240 days after the Effective Date. You may not open your Studio prior to receipt of our written authorization to open. We need not issue our authorization to open before:

(i) your Managing Operator, Designated Managers and Waxers successfully complete training;

(ii) you purchase all required insurance policies and provide evidence of coverage;

(iii) you obtain all required licenses, permits and approvals from Governmental Authorities;

(iv) you purchase and install all signage, Technology Systems, fixtures, furniture, equipment, and other items we require;

(v) we review and approve the construction, build-out and layout of your Studio; and

(vi) you comply with all other preopening obligations in this Agreement and the Manual.

You must send us a written notice identifying your proposed opening date at least 30 days before opening. We may conduct a preopening inspection of your Studio. You must make all changes and modifications we require before you may open.

7.6. **Relocation.** You may relocate your Studio with our prior written approval, which we will not

unreasonably withhold. If we allow you to relocate, you must: (a) locate your new Studio within the Site Selection Area (but outside any territory granted to us, our affiliate or any other franchisee); (b) pay us, at the time we approve your relocation request, either (i) a $14,500 project management fee (if we will serve as the Project Manager for the new site) or (ii) a $5,000 relocation fee (if we will not serve as the Project Manager for the new site); (c) comply with §7.1 through §7.5 with respect to your new Studio (excluding the 240-day opening period); (d) comply with the de-identification obligations set forth §21.1(xii) with respect to your former Studio; and (e) open your Studio at the new site and resume operations within 30 days after closing your Studio at the former site; *provided, however*, that if you relocate because your Studio is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, then you have 240 days after closing to reopen at the new site. We may require you to conduct another grand opening marketing campaign in accordance with §10.3(a) to promote the opening of your Studio at the new site.

8. MANAGEMENT AND STAFFING.

8.1. **Owner Participation.** You must designate an Owner who will have overall responsibility for the management and operation of your Studio (the "Managing Operator"). The Managing Operator must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) dedicate full-time efforts to the Business. Any new Managing Operator you appoint must successfully complete our then-current initial training program before becoming involved with the supervision, management or operation of the Studio.

8.2. **Designated Managers.** You may hire one (1) or more Studio managers (each, a "Designated Manager") to assist the Managing Operator with the onsite management and supervision of the Studio. Any Person you hire as a Designated Manager must: (a) successfully complete all training programs we require; and (b) sign a Brand Protection Agreement. At all times during normal business hours, either the Managing Operator or a Designated Manager must be present at your Studio to provide onsite management and supervision. You may also hire assistant managers who would report to the Managing Operator or a Designated Manager. The Managing Operator must monitor and supervise each Designated Manager to ensure the Studio is operated in accordance with this Agreement and the Manual.

8.3. **Waxers.** You must hire a sufficient number of Waxers to meet demand for wax hair removal services at your Studio. No Person may provide wax hair removal services at your Studio other than a Waxer who: (a) successfully completes all training programs we require; and (b) signs a Confidentiality Agreement.

8.4. **Regional Manager.** If you own three (3) or more Studios, you must appoint a person to supervise and oversee the operations of the Studios (the "Regional Manager"). Your Managing Operator may, but need not serve as the Regional Manager. In order to do so, the Managing Operator must dedicate full time efforts to the role of Regional Manager. Any Person you hire as a Regional Manager must: (a) successfully complete all training programs we require; and (b) sign a Brand Protection Agreement.

8.5. **Employees.** You must determine appropriate staffing levels for the Studio to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Studio. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by Law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business Entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items. We also do not control the hiring or firing of your employees. You have sole responsibility

and authority for all employment-related decisions, including employee selection and promotion, hours worked, rates of pay and other benefits, work assignments, training and working conditions. We will not provide any advice or guidance on these matters. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

8.6. Interim Manager. We have the right, but not the obligation, to designate a Person of our choosing (an "Interim Manager") to manage your Studio if either: (a) you fail to appoint an approved replacement Managing Operator, who has successfully completed all training we require, within 30 days after your Managing Operator ceases to perform the responsibilities of a Managing Operator for any reason; or (b) you fail to cure a material breach before the expiration of the cure period. The Interim Manager will cease to manage your Studio at such time that you appoint an approved replacement Managing Operator who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to: (a) pay us a management fee equal to $500 per day during the period of time that the Interim Manager manages your Studio; and (b) reimburse us for all Travel Expenses incurred by the Interim Manager. The Interim Manager has no liability to you except for gross negligence or willful misconduct. We have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

9. FRANCHISEE ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing. Each Owner of the Franchisee Entity, and the spouse of each Owner who is a natural Person, must sign a Franchise Owner Agreement.

10. ADVERTISING & MARKETING.

10.1. Brand and System Development Fund. We have established and administer a brand and system development fund to promote public awareness of our brand and improve our System. On each royalty fee due date, you must pay us a brand fund fee equal to 2% of your Studio's weekly Gross Sales. We deposit all brand fund fees and noncompliance fees we collect into the fund. We may use the fund to pay for any of the following in our sole discretion:

(i) developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs;

(ii) conducting and administering promotions, contests or giveaways;

(iii) improving public awareness of the Marks;

(iv) public and consumer relations and publicity;

(v) brand development;

(vi) sponsorships;

(vii) charitable and non-profit donations and events;

(viii) research and development of technology, products and services;

(ix) website development and search engine optimization;

(x) development and maintenance of an ecommerce platform;

(xi) development and implementation of quality control programs, including the use of mystery

shoppers or customer satisfaction surveys;

(xii) conducting market research;

(xiii) changes and improvements to the System;

(xiv) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts;

(xv) collecting and accounting for contributions to the fund;

(xvi) preparing and distributing financial accountings of the fund;

(xvii) any other programs or activities we deem appropriate to promote or improve the System; and

(xviii) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, employees or independent contractors based on time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to marketing or advertising activities. Any surplus in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time in our sole discretion upon 30 days' prior notice.

10.2. Marketing Assistance From Us. We may create and make available to you advertising and other marketing materials for your purchase. We may: (a) use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; and/or (c) contract with third-party suppliers to create and sell these materials to you. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis.

10.3. Your Marketing Activities.

(a) Grand Opening Advertising. During the period beginning 30 days before opening and ending 60 days after opening, you must spend at least $15,000 on approved grand opening advertising and marketing to promote the opening of your Studio. Any payments you make for marketing materials in the Startup Package will not be counted towards the $15,000 minimum expenditure requirement. If you fail to spend the minimum required amount, we may require that you pay us the difference and we may either deposit the funds into the brand fund or spend them ourselves to promote your Studio.

(b) Ongoing Advertising. You must participate at your own expense in all advertising, promotional and marketing programs we require, including any advertising cooperative we establish pursuant to §10.4. You must issue and offer all rebates, giveaways and other promotions we require. Commencing 60 days after your Studio's opening date, you must spend at least 2.5% of monthly Gross Sales on local advertising to promote your Studio (referred to as your "Local Advertising Commitment"). We measure your compliance with this requirement on a rolling three-month basis, meaning as long as your average monthly expenditure on local advertising over the three-month period equals or exceeds the Local Advertising Commitment, you are deemed in compliance even if your expenditure in any given month is less than the Local Advertising Commitment. If you fail to spend the

required minimum amount, we may require that you pay us the difference between your Local Advertising Commitment and the amount you actually spent on approved local advertising. If this occurs, we may either deposit the funds into the brand fund or spend them ourselves to promote your Studio. Brand fund contributions are in addition to, and not credited towards, your Local Advertising Commitment.

(c) Standards for Advertising. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time.

(d) Extraterritorial Advertising. You may market and advertise outside your Territory as long as you: (i) comply with all policies and procedures in the Manual governing extra-territorial marketing; and (ii) do not engage in targeted marketing directed into any territory or development territory assigned to us, our affiliate or another franchisee (unless the marketing is conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both within your Territory and within another territory is not deemed to be "targeted marketing" if: (i) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your Territory; and (ii) the majority of the recipients of the advertising are located within your Territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate or another franchisee. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and conducting promotional events within a given territory.

(e) Approval of Advertising. Prior to use, we must approve all advertising and marketing materials and programs you intend to use, including: (i) all advertising and marketing materials we did not prepare or previously approve; and (ii) any materials we prepare or approve and you modify. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved or that we approve and later disapprove. We have 10 days to review and approve or disapprove advertising and marketing materials and programs you submit. Our failure to issue our approval within the 10-day period constitutes our disapproval. Any advertising you propose and we approve will be deemed an "Improvement" for purposes of §17.5. We reserve the right to prepare the specific advertising and marketing materials you must use. If this happens, you may not develop your own materials.

(f) Social Media. You may advertise and market your Studio using social media, provided that:

(i) you only utilize social media platforms we approve (we reserve the right to exclusively manage some or all social media platforms on behalf of all Studios);

(ii) you strictly comply with our social media policy, as revised from time to time;

(iii) you immediately remove any post we disapprove, even if it complies with our social media policy;

(iv) you contract with and exclusively utilize any supplier we designate for social media marketing;

(v) you provide us with full administrative rights to your social media accounts; and

(vi) we own all social media accounts relating to your Studio.

(g) Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not: (i) develop, host, create or otherwise maintain a website or other

online or digital presence in connection with your Studio, including any website bearing our Marks; (ii) conduct digital or online advertising or marketing; or (iii) engage in ecommerce.

10.4. **Advertising Cooperative.** We may, but need not, establish regional advertising cooperatives for purposes of creating and/or purchasing advertising programs for the benefit of all Studios located in a particular region. We may: (a) determine the boundaries of the cooperative; (b) specify the manner in which the cooperative is organized and governed; (c) require the cooperative to be administered in accordance with written bylaws, organizational documents or other governing documents that we approve; and (d) require you to participate in the cooperative according to its rules and procedures and abide by its decisions. You must pay the cooperative advertising fee, which will be due on each royalty payment due date or on such other date established by the cooperative. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the cooperative advertising fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed 2.5% of Gross Sales. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. All cooperative advertising fees you pay are credited towards your Local Advertising Commitment. We reserve the right to form, change, merge or dissolve advertising cooperatives in our discretion.

11. OPERATING STANDARDS.

11.1. **Generally.** You agree to operate your Studio: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with our standards, this Agreement and the Manual.

11.2. **Brand Standards Manual**. You agree to establish and operate your Studio in accordance with the Manual. The Manual may contain, among other things:

(i) architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Studio;

(ii) a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Studio and (b) designated and approved suppliers;

(iii) a description of the waxing services, waxing and skincare products, and other goods and services you may sell, including authorized memberships and Series;

(iv) specifications, techniques, methods, operating procedures and quality standards; and

(v) policies and procedures pertaining to: (a) reporting; (b) insurance; (c) marketing and advertising; (d) gift card, loyalty and membership programs; (e) data ownership, protection, sharing and use; and (f) any other matter we deem appropriate.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by franchised Studios. We can modify the Manual at any time. Modifications are binding at the time we notify you of the change, subject to any "grace period" we provide to implement the change. All mandatory provisions in the Manual (whether included now or in the future) are binding on you.

11.3. **Authorized Goods and Services.** You agree to offer all goods and services we require from time to time in our commercially reasonable discretion. You must ensure your Waxers exclusively utilize our required waxing technique, proprietary wax and other operating supplies that we require or approve. You may not offer any other goods or services without our prior written permission. We may change authorized goods and services at any time and you must comply with our instructions regarding same. Any such change shall not constitute a termination of this Agreement.

11.4. **Sales Restrictions**. You may only sell to retail customers while they are present at the Studio. Unless you receive our prior written approval, you may not: (a) offer, sell or provide any goods or services from any location other than your Studio's premises; (b) offer, sell or provide any goods or

services through Alternative Channels of Distribution, including online sales through an ecommerce site; (c) offer, sell or provide any goods or services to any Person for purposes of resale or for use within another business; (d) use, or allow any other Person to use, your Studio or any portion thereof for purposes of conducting any business activity not specifically authorized by this Agreement or the Manual; or (e) sell or utilize UKW Products for any purpose other than the operation of your Studio in compliance with this Agreement and the Manual.

11.5. **Pricing**. We will provide you with our suggested retail pricing, which may vary by region. You may deviate from our suggested retail pricing in your discretion. However, you must obtain our approval of any deviation that is more than 5% higher or lower than our suggested retail pricing, unless such pricing is part of a temporary advertising campaign that we approve. To the extent permitted by applicable Law, we may set maximum or minimum prices on the goods and services you sell.

11.6. **Customer Payments.** You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY and/or GOOGLE WALLET) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

11.7. **Suppliers and Purchasing.** You must purchase or lease all products, supplies, equipment, services and other items specified in the Manual. The Manual may require that you purchase certain goods and services only from suppliers we designate or approve. These suppliers may include (or be limited exclusively to) us or our affiliate. Our right to specify the suppliers you may use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of Studios, protect our trade secrets, negotiate bulk purchase discounts, and protect the reputation and goodwill associated with the System and the Marks. We have no liability to you for the acts, errors or omissions of, or any defective goods or services supplied by, any third-party supplier we designate or approve, provided that we exercise our discretion in good faith in designating or approving such supplier. If we receive rebates or other consideration from suppliers based on your purchases we have no obligation to pass them through to you or use them for any particular purpose. If you wish for us to approve a supplier, you must send us a request for approval specifying the supplier's name and qualifications and provide all additional information we request. We will approve or reject your request within 30 days after we receive your request and all information and samples we require. We are deemed to have rejected your request if we fail to issue our approval within the 30-day period. You must pay us a $1,000 review fee and reimburse us for all costs and expenses we incur to review a product or supplier you propose. We do not consider alternative suppliers for UKW Products.

11.8. **Equipment Maintenance and Changes.** You must maintain your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. Our right to require significant equipment changes is critical to our ability to administer and change the System and you must comply with these changes within the time period we reasonably specify.

11.9. **Technology Systems.**

(a) Generally. You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, marketing, communications, copying, printing and scanning, or any other business purpose we deem appropriate. We may require that you acquire new or substitute Technology Systems and/or replace, upgrade or update existing

Technology Systems at your expense upon reasonable prior notice. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.

(b) Use and Access. You must utilize your Technology Systems in accordance with the Manual, including recording Business Data in the time and manner we require. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected through your Technology Systems, including Gross Sales data for purposes of calculating fees owed. Upon request, including upon termination or expiration of this Agreement, you must provide us with the user IDs and passwords for your Technology Systems.

(c) Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Upon our request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

(d) Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with us (or our affiliate) in a form we prescribe governing your use of the proprietary software, technology or other component of the Technology Systems. We may enter into master agreements with third-party suppliers relating to any components of the Technology Systems and charge you for all amounts we pay to these suppliers based on your use of their software, technology, equipment, or services. The "technology fee" includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or prices charged by third-party suppliers with whom we enter into master agreements. We may include within the technology fee a commercially reasonable administrative fee to compensate us for the time, money and resources we invest in administering the technology platform and associated components, negotiating and managing contracts with third-party licensors, and collecting and remitting technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include any amounts you pay directly to third-party suppliers. The technology fee is due 10 days after invoicing or as we otherwise specify. We will list the current technology fee in the Manual.

11.10. Remodeling and Maintenance. You must remodel, renovate and make all improvements to your Studio that we reasonably require from time to time to conform to our then-current standards and specifications. There is no limitation on the cost or frequency of these remodeling obligations. You may not remodel or significantly alter your premises without our prior written approval. We will not approve any proposed remodeling or alteration that is inconsistent with our then-current standards and specifications. You must maintain your Studio in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements,

renewals and alterations, at your sole expense, to comply with our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Studio's premises at the intervals we prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Studio's premises as needed. You must comply with any maintenance, cleaning or facility upkeep schedule we prescribe.

11.11. System Programs.

(a) Generally. We may periodically develop and implement membership programs, loyalty programs, gift card programs and other system-wide programs. You must fully participate in all programs we designate as mandatory. In order to participate, you must: (i) comply with all policies and procedures we establish for participation in the program; (ii) purchase (or license) and utilize all equipment, software, mobile applications (Apps), technology and others items we designate as being necessary for participation in the program, and pay all associated fees and costs; and (iii) pay us, our affiliate, or a third party we designate, all program fees and other amounts we specify as being necessary for participation in the program (collectively, "Program Participation Rules"). Program Participation Rules may be set forth in the Manual. We may change Program Participation Rules at any time and you must comply with these changes. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time in our discretion.

(b) Membership Program. We may require that all Studios operate under a membership model, in which case each Studio must honor memberships and the associated benefits and privileges even if the member purchased their membership from another Studio. We have the right to: (i) determine how membership fees are divided or otherwise accounted for; (ii) require that all membership fees be paid to us or deposited into a trust account we control for subsequent disbursement to the Studios(s) visited by the member; (iii) adopt policies regarding cooperation between franchisees relating to members who utilize the services of, or enjoy membership privileges at, multiple Studios; and (iv) designate the use of new Technology Systems to monitor sales and allocate payments to the Studio(s) visited by the member, either in whole or on a percentage basis. We may require that you utilize the form of membership agreement we specify. You must hire an attorney, licensed in your state, to review the membership agreement and advise you of any changes necessary to comply with any local Laws affecting the form of membership agreement you use (you must notify us, and obtain our approval of, any such changes).

(c) Loyalty Programs. You must fully participate and implement all required customer loyalty, rewards and other affinity programs designed to increase customer loyalty, generate new customers or improve overall demand for and utilization of the services offered by Studios.

(d) Gift Card Programs. You must participate in any gift card program we establish and honor all gift cards, even if purchased from us or another Studio. You may not sell gift cards we have not approved. We have the right to: (i) determine how gift card proceeds are divided or otherwise accounted for; (ii) require that gift card proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Studio(s) where the gift card is redeemed; and (iii) retain proceeds from unredeemed gift cards.

11.12. Package Sales. If we allow your Studio to sell Series (i.e., packages of treatments) that customers may redeem on multiple visits, you must comply with all associated policies and procedures we specify from time to time. Without limiting the generality of the foregoing, we may adopt policies: (a) regarding cooperation between franchisees relating to customers who purchase a Series from a given Studio and redeem treatments (or other goods or services) from another Studio; or (b) that prohibit a customer from purchasing a Series from a given Studio and redeeming treatments (or other goods or services) from another Studio. We also have the right to: (a) determine how the sales proceeds are divided or otherwise accounted for; (b) require that sales proceeds be paid to us

or deposited into a trust account we control for subsequent disbursement to the Studio(s) where treatments (or other goods or services) are redeemed; and (c) retain proceeds from unredeemed treatments ("breakage"). Under current policy, however, we allow you to retain all sales proceeds from the sale of Series purchased from your Studio (including breakage) provided that you satisfy each of the following requirements:

(i) you remain in good standing under the terms of all Definitive Agreements;

(ii) you separately record, track and carry all Prepaid Liabilities as a liability (we may also track and provide you with reports of your Prepaid Liabilities);

(iii) you comply with all financial reporting requirements set forth in the Manual, including timely submission of all data we require through ProfitKeeper or any other software or Technology System we designate; and

(iv) upon our request you purchase, and maintain throughout the Term, a surety bond or other form of financial assurance that we designate or approve in accordance with §13.8.

11.13. Hours of Operation. Your Studio must be open for business during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements imposed by Law. You must establish specific days and hours of operation and submit them to us for approval.

11.14. Standards of Service and Professionalism. You and your staff must provide prompt, courteous, friendly and efficient service to all customers and ensure all interactions with customers are conducted in a professional and ethical manner. If you receive a customer complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks. You must also treat your employees and our staff with honesty and respect. You understand that your breach of this Section may significantly damage the goodwill associated with our Marks and our System.

11.15. Quality Assurance Programs. For quality control purposes, we may: (a) periodically inspect your Studio in accordance with §6.5 and §16.1; and/or (b) engage the services of a "mystery shopper" or quality assurance firm to inspect your Studio. Inspections may address a variety of issues, including customer service, sanitation, waxing technique, inventory rotation, etc. You must fully cooperate with all inspections. If we engage a mystery shopper or quality assurance firm, we may require that you directly pay the mystery shopper or firm for the cost of the inspection. Alternatively, we may pay for the cost of the inspection, in which case you must reimburse us. We may implement a scoring system pursuant to which each Studio receives a "grade" or "score" based on the inspection results. Your failure to achieve a passing grade or score constitutes a default under this Agreement. You must implement all corrective measures we require within the time period we specify to rectify any noncompliance issues revealed by an inspection.

11.16. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a breach of our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to correct the noncompliance within the period of time we prescribe, then, in addition to any other remedies available to us under this Agreement, we may impose a noncompliance fee of $200 per occurrence. We may impose an additional $200 fee every 48 hours the same noncompliance issue remains uncured after we impose the initial fee. Any noncompliance fees we collect are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If we take steps to cure a default committed by you after the expiration of any applicable cure period, including, without limitation, obtaining required insurance coverage on your behalf or paying amounts you owe to approved or designated suppliers, then you must reimburse us for all costs and expenses we directly or indirectly incur in connection with our efforts to cure the default. Our acceptance of noncompliance fees and default expense reimbursements shall not be construed as a waiver of any of our rights or remedies under this Agreement and we retain the right to terminate

this Agreement in accordance with §20 should the default continue after we collect these amounts.

12. FRANCHISE ADVISORY COUNCIL. We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We consider all suggestions in good faith but are not bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with this Agreement and do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other council members. Each member would be granted one vote on all matters on which members are authorized to vote.

13. FEES

13.1. Initial Franchise Fee. You agree to pay us a $45,000 initial franchise fee in one lump sum at the time you sign this Agreement (or, if applicable, any discounted initial franchise fee specified in an area development agreement signed by you and us). The initial franchise fee is fully earned by us and nonrefundable once this Agreement has been signed.

13.2. Royalty Fee. On the day of each week we specify (the "royalty fee due date"), you agree to pay us a royalty fee equal to 7% of your Gross Sales generated during the immediately preceding reporting period. The current reporting period runs from the opening of business on Monday through the close of business on Sunday and the current royalty payment due date is the Wednesday immediately following the end of the prior reporting period. We may periodically change the reporting period and weekly royalty payment due date through updates to the Manual.

13.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in §13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services we furnish to you, excluding income taxes imposed on us based on fees you pay us under this Agreement.

13.4. Due Date & Late Fee. Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement has not been received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us $100 plus default interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by applicable Law. We will not impose a late fee for any amount paid pursuant to §13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount due because of your failure to record sales or submit Gross Sales reports in a timely manner, we may assess a late fee on the entire amount that was due. This §13.4 shall not constitute our agreement to accept late payments or extend credit to you.

13.5. Method of Payment. No later than 15 days after the Effective Date, you must send us a completed and fully executed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding any amounts due within 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand, together with any late charge imposed pursuant to §13.4. We may also impose a $50 NSF fee for each instance where either: (a) there are insufficient funds in your Account to cover amounts owed when due; or (b) a check you issue to us is returned due to insufficient funds.

13.6. CPI Adjustments. We reserve the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United

States (CPI). We may periodically review and increase these fees based on CPI changes, but only if the then-current CPI ("Current CPI") is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments) ("Baseline CPI"). The adjusted fee shall be calculated by multiplying the current fee by a fraction: (a) the numerator of which is an amount calculated as the product of (i) 100 and (ii) the difference of Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than one (1) fee adjustment during any five (5) year period. If we decline to exercise our right to increase the fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment.

13.8. **Prepaid Liabilities**. From time to time, we may establish policies and procedures in the Manual governing: (a) the sale of gift cards, Series, memberships and other prepaid items from our website or from a Studio; and (b) the method of accounting, financial reporting, characterization and treatment of proceeds from the sale of gift cards, Series, memberships and other prepaid items that are attributable to treatments (or other goods or services) that may be redeemed on subsequent visits ("Prepaid Liabilities"). If we allow you to retain the proceeds from the sale of gift cards, Series, memberships or other prepaid items, we may require that you purchase a surety bond, or other form of financial assurance that we designate or approve, in an amount equal to or greater than the total amount of Prepaid Liabilities carried by your Studio. Upon the expiration or termination of this Agreement, we may require you to pay us an amount equal to the total outstanding amount of your Studio's Prepaid Liabilities. We may also require, as a condition to Transfer, that you pay the transferee an amount equal to the total outstanding amount of your Studio's Prepaid Liabilities as of the date of Transfer.

14. BRAND PROTECTION COVENANTS.

14.1. **Reason for Covenants**. The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners received an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with the covenants in §14 to protect the Intellectual Property and our franchise system.

14.2. **Intellectual Property and Confidential Information**. You and the Owners agree to: (a) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Studio pursuant to this Agreement; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) stop using the Intellectual Property and Confidential Information immediately upon the expiration, termination or Transfer of this Agreement (and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).

14.3. **Unfair Competition**. You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the Owners may have an interest in a Competing Business during the Post-Term Restricted Period as long as the Competing Business is not located within the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a

Competing Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

14.4. **Family Members**. Because (a) an Owner could circumvent the intent of §14 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §14 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses Confidential Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.

14.5. **Employees.** You must ensure all employees, officers, directors, partners, members, independent contractors and other Persons associated with you or your Studio sign and send us a Confidentiality Agreement before they are given access to any Confidential Information. Any Person who signs a Brand Protection Agreement need not sign a Confidentiality Agreement. You must: (a) use best efforts to ensure these individuals comply with the Brand Protection Agreements and Confidentiality Agreements, as applicable; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Brand Protection Agreement or Confidentiality Agreement, including attorneys' fees and court costs.

14.6. **Covenants Reasonable.** You and the Owners agree that: (a) the covenants in §14 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with respect to other franchisees benefits you and the Owners by preventing others from unfairly competing with your Studio; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §14**.**

14.7. **Breach of Covenants**. You and the Owners agree that: (a) any failure to comply with §14 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breaches §14, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at Law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

15. YOUR OTHER RESPONSIBILITIES

15.1. **Insurance.** For your protection and ours, you agree to maintain the following insurance policies:

(i) "all risk" property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Studio, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;

(ii) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Studio, containing minimum liability protection of $1,000,000 combined single limit per occurrence and $3,000,000 in the aggregate;

(iii) professional liability and malpractice insurance, with no exclusion for waxing services, against claims for bodily and personal injury and death caused by or occurring in conjunction with the operation of your Studio, containing minimum liability protection of $1,000,000 combined single limit per occurrence;

(iv) products/completed operations insurance containing minimum liability protection of $1,000,000 combined single limit per occurrence;

(v) personal and advertising injury insurance containing minimum liability protection of $1,000,000 combined single limit per occurrence;

(vi) for any vehicle used in connection with the operation of the Studio, automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with minimum liability protection equal to the greater of (a) the amount required by applicable Law or (b) $1,000,000 combined single limit per occurrence for bodily injury and property damage;

(vii) business interruption insurance providing coverage for 100% of all expenses and financial obligations for a minimum period of six (6) months, including fees owed to us, which shall be deemed to include average weekly royalty fees and brand fund contributions imposed during the 52-week period preceding the event triggering coverage under the insurance policy (or imposed during the entire period of operation if less than 52 weeks);

(viii) worker's compensation insurance and employer's liability insurance as required by Law;

(ix) any insurance required under your lease or by Law; and

(x) any other insurance we specify in the Manual from time to time.

You must provide us with proof of coverage: (a) prior to opening; (b) within 10 days after the renewal of a policy; and (c) at any other time on demand. You agree to obtain these policies from licensed insurance carriers rated A or better by Alfred M. Best & Company, Inc. Each policy must endorsed to: (a) name us (and our members, officers, directors, and employees) as additional insureds (except for worker's compensation insurance); (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive at least 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any policy fails to meet these criteria, we may disapprove the policy and you must immediately secure a new policy meeting our criteria. Upon 10 days' notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, including excess liability (umbrella) insurance, due to inflation, identification of special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse us for all premiums and other costs we incur.

15.2. Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. You must maintain and send us, upon request, a written list of all of your customers. You must send us copies of your books and records within seven (7) days of our request. You must provide us with independent access to your QuickBooks Online account (or any other financial accounting software you use) with permission to read all reports.

15.3. Reports.

(a) Generally. You must prepare all reports we require including, without limitation, the reports described below. Reports must be prepared in the form and manner we specify. You must send us a copy of any report we require upon request. We also have the right to independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Sales reports.

(b) Report of Initial Investment Costs. To assist us in updating our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur in connection with the development and opening of your Studio. You must send us the completed report within 60 days after the opening date of your Studio.

(c) Gross Sales Reports. No later than each royalty payment due date, you must prepare and send us a signed and verified statement of your Gross Sales for the immediately preceding reporting period. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next Gross Sales reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based on previously reported Gross Sales.

(d) Advertising Expenditure Reports. No later than 60 days after the expiration of your grand opening period, you must prepare and send us a report detailing your expenditures on your grand opening marketing campaign in accordance with §10.3(a). No later than 30 days after the end of each calendar quarter, you must prepare and send us a report detailing your expenditures incurred during the prior calendar quarter on local advertising required by §10.3(b). All advertising expenditure reports must include copies of receipts for the reported expenditures.

15.4. Financial Statements. No later than the 15th day of each month, you must prepare and send us a monthly balance sheet and profit and loss statement for your Business in the format we prescribe. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. Financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and others for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

15.5. Legal Compliance. You must: (a) secure and maintain all required licenses, permits and regulatory approvals; (b) operate your Studio in full compliance with all applicable Laws; (c) notify us in writing within two (2) business days after you become aware of any Claim, or any order, demand or disciplinary action by a Governmental Authority, that may adversely affect the operation of your Studio or your financial condition; and (d) immediately send us a copy of any inspection report or other communication from a Governmental Authority alleging violation of a health or safety Law.

15.6. Ownership and Protection of Data. We are the exclusive owner of all Business Data, regardless of whether such Business Data is collected by you, us or another Person. We hereby grant you a license to utilize the Business Data solely for purposes of operating your Studio in compliance with this Agreement. You must protect all Customer Data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy Laws with respect to data which, if compromised, could have a negative impact on our image or consumer confidence. You agree: (a) to comply with all applicable data protection Laws as well as our data processing and data privacy policies in the Manual (if any); and (b) upon our request, to sign any data processing and/or data privacy agreement required by us or by Law. You further agree to:

(i) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS;

(ii) establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of any credit card information, in any form whatsoever, that you store, process, transmit or come in contact with;

(iii) promptly notify us if you suspect there is, or has been, a security breach or potential compromise of any such credit card information;

(iv) provide us with updates regarding the status of PCI-DSS, which update may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other method mutually agreed; and

(v) promptly notify us of any noncompliance with PCI-DSS requirements to discuss your remediation efforts and timeline.

16. INSPECTION AND AUDIT

16.1. Inspections. For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Studio, evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things:

(i) examining and copying your books, records, accounts and tax returns;

(ii) inspecting and testing your equipment;

(iii) removing samples of your wax and other operating supplies and inventory items for testing purposes;

(iv) evaluating the physical condition of your Studio for cleanliness, sanitation and state of repair;

(v) monitoring and speaking with your staff; and

(vi) contacting and speaking with your landlord and customers.

We may conduct inspections at any time without prior notice. During the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Studio. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems and retrieving any Business Data we deem appropriate. You must reimburse us for all Travel Expenses and other costs we incur to conduct an inspection to determine if you remedied a: (a) health or safety issue identified by a Governmental Authority; or (b) breach of system standards we bring to your attention. We bear the cost of all other inspections.

16.2. Audit. We may audit your books and records at any time. You must fully cooperate with us and any Person we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §13.4. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of Gross Sales by at least 3%. We bear the cost of all other audits. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursement of our audit costs.

17. INTELLECTUAL PROPERTY

17.1. Ownership and Use. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license to operate your Studio during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

17.2. Changes to Intellectual Property. We may change the Intellectual Property at any time in our sole discretion, including by changing the Copyrighted Materials, Know-how, Marks and/or System. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) as a result of any change to the

Intellectual Property.

17.3. **Use of Marks**. You agree to: (a) use the Marks as the sole identification of your Studio; *provided, however*, that you must identify yourself as the independent owner of your Studio in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register any Marks, or any other trademarks confusingly similar to the Marks, with any Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks.

17.4. **Use of Know-how**. We disclose our proprietary Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You do not acquire any interest in the Know-how other than the right to utilize it, during the Term, solely for purposes of developing and operating your Studio in compliance with this Agreement and the Manual.

17.5. **Improvements**. If you, an Owner or your employee conceives of or develops an Improvement, you must send us a written notice describing the Improvement. You must obtain our approval prior to using any such Improvement. Any Improvement we approve may be used by us and any third parties we authorize to operate a Studio, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign to us or our designee, without charge, all rights to the Improvement, including the right to grant sublicenses. In return, we will authorize you to use Improvements developed by other Persons that we approve for use in connection with the operation of a Studio.

17.6. **IP Disputes**. You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with any IP Dispute. We have sole discretion in deciding what action, if any, to take in response to the IP Dispute. We may exclusively control any litigation or other proceeding relating to the IP Dispute. You must execute all documents, render all assistance, and perform all acts that are, in our counsel's opinion, necessary or advisable to protect or maintain our interest in the litigation or proceeding and/or protect the Intellectual Property.

18. **INDEMNITY.** You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with:

(i) the marketing, use or operation of your Studio;

(ii) the breach of a Definitive Agreement committed by you or your Owners or affiliates;

(iii) the breach of an agreement with a third party committed by you or your Owners or affiliates;

(iv) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;

(v) libel, slander or disparaging comments made by you or your Owners, officers, employees or independent contractors regarding the System, a Studio or an Indemnified Party;

(vi) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or

(vii) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or

National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties shall have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle the Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending the Claim, including, without limitation, Travel Expenses incurred by attorneys or expert witnesses to attend mediation, arbitration or legal or administrative proceedings or hearings relating to the matter.

Provided that you are in full compliance with all Definitive Agreements, we will indemnify you and your Owners and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any Claim asserted against you and/or your Owners alleging that your use of our principal Marks in strict compliance with the terms of this Agreement and the Manual violates a third-party's intellectual property rights. You must promptly notify us of any such Claim and fully cooperate with our defense of the Claim. For purposes of this section, our "principal" Marks include, and are limited to, "UNI K WAX®" and any Marks that include the phase "UNI K WAX®".

19. TRANSFERS

19.1. **By Us**. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate our obligations under this Agreement to one or more Persons without assigning the Agreement.

19.2. **By You**. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold approval if all of the following conditions are satisfied:

(i) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate a Studio and meets our minimum criteria for franchisees;

(ii) you and your affiliates and Owners are in full compliance with all Definitive Agreements;

(iii) the transferee's owners successfully complete, or make arrangements to attend, the initial training program (and the transferee pays us any applicable training fee);

(iv) your landlord consents to the assignment of your lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Site Selection Area;

(v) the transferee and its owners obtain all licenses and permits required by applicable Law to own and operate the Studio;

(vi) the transferee agrees to discharge and guarantee all of your obligations under this Agreement and any other agreement relating to the Business, including, without limitation, customer contracts, waxing series or package purchases, gift cards and supplier contracts, and signs any agreement we require to confirm the foregoing;

(vii) you pay the transferee an amount equal to the total amount of your Studio's outstanding Prepaid Liabilities as of the date of Transfer or you provide another form of financial assurance we approve (such as transferring a surety bond to the transferee that is for an amount equal to or greater than the total amount of your Studio's outstanding Prepaid

Liabilities as of the date of Transfer);

(viii) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct you to assign this Agreement to the transferee) except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(ix) the transferee agrees to remodel the Studio and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications (these changes must be completed within 12 months after the Transfer or such shorter period of time we specify);

(x) you or the transferee pay us a transfer fee equal to 50% of our then-current non-discounted initial franchise fee (reduced to 25% of our then-current non-discounted initial franchise fee if the transferee is an existing franchisee in our System) to defray expenses we incur in connection with the Transfer (if the transferee is found by a broker we engage, you must also reimburse us for all commissions we pay the broker, which amount shall be in addition to the transfer fee);

(xi) you and your Owners sign a General Release;

(xii) you agree to subordinate the transferee's financial obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);

(xiii) we choose not to exercise our right of first refusal described in §19.5; and

(xiv) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any Claims we have against the transferor or our right to demand the transferee comply with all terms of the franchise agreement.

19.3. **Permitted Transfers.** You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Franchisee Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

19.4. **Owner Death or Disability.** Within 180 days after the death or permanent disability of an Owner, the Owner's ownership interest must be assigned to another Owner or to a third party we approve. Any assignment to a third party will be subject to all terms and conditions of §19.2 unless the assignment qualifies as a Permitted Transfer. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

19.5. **Our Right of First Refusal.** If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receipt of the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you (as the seller of the assets) or the Owner (as the seller of the ownership interest) or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant

to the terms of the offer, subject to the requirements of §19.2, including our approval of the transferee. However, if the sale is not completed within 120 days after delivery of the offer to us, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

20. TERMINATION

20.1. **By You**. You may terminate this Agreement if we commit a material breach and fail to cure within 90 days after receipt of a default notice specifying the nature of the breach. If you terminate pursuant to §20.1, you must still comply with your post-term obligations described in §21 (other than payment of liquidated damages) and all other obligations that survive the expiration or termination of this Agreement.

20.2. **By Us**. We may terminate this Agreement, effective upon delivery of a written notice of termination to you, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:

(i) if you become insolvent by reason of your inability to pay your debts as they become due;

(ii) if you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Law, or you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(iii) if your Studio, or a substantial portion of the assets associated with your Studio, are seized, taken over or foreclosed by a Government Official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor;

(iv) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;

(v) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;

(vi) if the Managing Operator fails to satisfactorily complete initial training as required by §5.1;

(vii) if you fail to obtain our approval of your site within the time period required by §7.1;

(viii) if you fail to open your Studio within the time period required by §7.5;

(ix) if you abandon or fail to operate your Studio for five (5) consecutive business days, unless the failure is due to Force Majeure (in which case §24.6 governs) or another reason we approve;

(x) if a Governmental Authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Studio even if you or the Owner maintain appeal rights;

(xi) if you or an Owner (a) is convicted of or pleads no contest to a felony or other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material Law applicable to your Studio;

(xii) if you or an Owner commits an act that can reasonably be expected to materially and adversely affect the reputation of the System or the goodwill associated with the Marks;

(xiii) if you manage or operate your Studio in a manner that presents a health or safety hazard to your customers, employees or the public;

(xiv) if you or an Owner makes any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xv) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment;

(xvi) if you intentionally conceal Gross Sales, or if you underreport Gross Sales by at least 3% on two (2) or more occasions (even if unintentional);

(xvii) if you make an unauthorized Transfer;

(xviii) if you make an unauthorized use of the Intellectual Property;

(xix) if you sell any UKW Products to third parties or reuse or recycle UKW Products without our approval;

(xx) if you breach any brand protection covenants described in §14;

(xxi) if you or an Owner breaches any representations in §23.4;

(xxii) if an Owner or the spouse of an Owner breaches a Franchise Owner Agreement;

(xxiii) if the lease for your premises is terminated due to your default;

(xxiv) if you receive three (3) or more valid default notices from us within any 18-month period regardless of whether you cure the defaults;

(xxv) if we or any affiliate of ours terminates any Definitive Agreement (other than an area development agreement) due to a default by you or your affiliate; or

(xxvi) if you or an Owner breaches any other provision of this Agreement (including any mandatory provision in the Manual) and fails to cure the breach within 30 days after receipt of a default notice from us.

If we send you a default notice pursuant to §20.2 we may cease to perform our obligations under this Agreement until you cure the breach.

20.3. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

21. POST-TERM OBLIGATIONS.

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) immediately cease use of the Intellectual Property;

(ii) pay us an amount equal to your Studio's total outstanding Prepaid Liabilities, measured as of the effective date of the termination, expiration or Transfer of this Agreement, for unredeemed (or partially redeemed) gift cards, gift certificates, Series, memberships and other prepaid items purchased by customers from your Studio (this clause does not apply to the extent we collect proceeds from these sales transactions at the time of sale);

(iii) pay us all other amounts you owe including, if applicable, liquidated damages pursuant to §21.3;

(iv) comply with all covenants described in §14 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(v) comply with our instructions to return or destroy all copies of the Manual, all Copyrighted Materials and all signs, brochures, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

(vi) comply with our instructions to destroy your remaining supply of UKW Products unless we

exercise our option to purchase these items in accordance with §21.2;

(vii) comply with our data retention policies pertaining to the Business Data;

(viii) cancel all fictitious or assumed name registrations relating to your use of the Marks;

(ix) provide us with a list of all of your current, former and prospective customers;

(x) immediately cease all contact and communications with customers of your Studio for any business-related purpose;

(xi) assign all customer contracts to us;

(xii) alter the interior and exterior of the premises to the extent necessary (or to the extent we require) to prevent any further resemblance to or connection with a Studio or our System, including, without limitation, repainting the exterior and interior with new colors, removing trade dress, fixtures and décor items associated with a Studio, removing all signage and discontinuing use of approved wall décor items and window decals;

(xiii) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (a) any telephone numbers and/or domain names associated with your Studio; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(xiv) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

Subsections (v), (xi), (xii) and (xiii) above shall not apply if you Transfer your Studio to an approved transferee or we exercise our right to purchase your Studio.

21.2. Purchase Option.

(a) Generally. Upon the termination or expiration of this Agreement we have the option to purchase your Studio and/or its assets. If we choose to exercise our purchase option, we will notify you of the assets we wish to purchase (the "Acquired Assets") within 30 days after the termination or expiration date. You may not sell or transfer any of your assets during this 30-day period. If we exercise our purchase option, we may require that you assign your lease to us at no additional charge. If you own the premises, we may require you to lease the premises to us (or to our designee) for a period of 10 years upon commercially reasonable terms and conditions (including fair market value rent). The purchase price for the Acquired Assets will be: (i) the purchase price established by the parties (if mutually agreed upon); or (ii) the Appraised Value established in accordance with §21.2(b) below; *provided, however*, that we may purchase your remaining inventory of UKW Products at the lesser of fair market value or $2,500. We may, at our option, assign our purchase option to a designee of our choosing.

(b) Appraisal Process. If the parties cannot agree on the purchase price, the purchase price shall be the Appraised Value established in accordance with this Section (subject to our right to purchase your remaining inventory of UKW Products at the lesser of fair market value or $2,500). "Appraised Value" means the fair market value of the Acquired Assets as of the date this Agreement is terminated or expires, as applicable; *provided, however*, that fair market value shall not include any value for goodwill and/or the franchise rights granted by this Agreement. The parties shall attempt to mutually agree upon a single independent appraiser. If they fail to do so, either party may demand the appointment of three (3) appraisers in accordance with the following: (i) no later than 15 days after the party demands

the appointment of three (3) appraisers, each party shall appoint one (1) appraiser and notify the other party of appointed appraiser's name and contact information; and (ii) no later than 30 days after the party demands the appointment of three (3) appraisers, the two (2) appraisers appointed by the parties will jointly appoint a third (3rd) appraiser. If either party fails to appoint an appraiser within the 15-day period, then the appraiser appointed by the other party shall be deemed the single appraiser approved by the parties. You must promptly provide any documents or information requested by the appraisers. If a single appraiser is appointed, the purchase price shall be the Appraised Value established by the appraiser. If three (3) appraisers are appointed, the purchase price shall be: (i) the Appraised Value agreed upon by at least two (2) of the appraisers; or (ii) the average of the two (2) Appraised Values that are closest to each other if none of the appraisers agreed upon the Appraised Value. Each party shall promptly pay 50% of the cost of the appraisal.

(c) Closing. The parties shall memorialize the acquisition by executing an Asset Purchase Agreement, in a form reasonably prescribed by us. You agree to provide us with all customary representations and warranties given by you, as the seller of the Acquired Assets. We will have at last 60 days after the purchase price has been determined to prepare for closing. At closing: (i) you must transfer good and clean title to the Acquired Assets, subject to any exceptions set forth in the Asset Purchase Agreement; and (ii) we must pay you the purchase price. We may deduct from the purchase price: (a) any amounts you owe to us or to our affiliates under any Definitive Agreements including, if applicable, liquidated damages imposed under this Agreement; and (b) the amount of any liabilities we assume on your behalf, including future rent.

21.3. Liquidated Damages. You must pay us liquidated damages if either: (a) we terminate this Agreement due to your default; or (b) you terminate this Agreement without cause or in any manner other than as permitted by §20.1 or §20.3. Liquidated damages shall be calculated as the product of Average Weekly Fees multiplied by the lesser of (a) 104 or (b) the total number of full weeks remaining under the Term as of the termination effective date. Average Weekly Fees is determined as the combined average weekly royalty fee and brand fund fee (without regard to any fee waivers or other reductions, and regardless of collection) imposed by this Agreement during the 52-week period preceding the termination date (or during the period of time you operated the Business if less than 52 weeks). Liquidated damages are due 30 days after we send you an invoice detailing our calculation of liquidated damages. Liquidated damages are in addition to and not in lieu of: (a) any fees or other amounts incurred by you prior to the termination of this Agreement, all of which must be paid by you in accordance with the terms of this Agreement; or (b) any damages we or our affiliate incur as a result of your breach of this Agreement; *provided, however*, that we may not pursue a claim against you for recovery of lost future profits if you pay us all liquidated damages owed when due. The parties agree the amount of liquidated damages set forth in this Section is in proportion to, and is necessary to protect, our legitimate interests, including: (a) encouraging our franchisees to commit to the 10-year franchise relationship in which both parties have already invested time and expense to develop; (b) the time and expense we will incur to recruit a new franchisee to acquire franchise rights to the Territory; (c) the time and expense we will incur to ensure your timely and orderly departure from our franchise network; (d) protecting the reputation and goodwill associated with our Marks; and (e) partially compensating us for our financial loss caused by your breach and the early termination of this Agreement. If this liquidated damages clause is determined to be unenforceable under applicable Law, then we will be limited to pursuing actual damages we incur as a result of your default or improper termination.

22. DISPUTE RESOLUTION.

22.1. Negotiation and Mediation. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, the parties agree to submit the Dispute to mediation before a mutually-agreeable mediator prior to litigation. All negotiations and mediation

proceedings (including all discovery conducted therein and statements and settlement offers made by either party or the mediator in connection with the mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in mediation). The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Any Dispute involving claims alleging a breach of §14 and/or §17 (referred to as "Excluded Claims") will not be subject to mediation unless otherwise agreed to by both parties.

22.2. Litigation. If (a) a Dispute is not successfully resolved by mediation within 60 days after either party makes a demand for mediation or (b) the Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance with the choice of venue provision set forth below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of §14 and/or §17).

22.3. Venue. All mediation and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Miami-Dade County, Florida). The parties irrevocably waive any objection to such venue and, with respect to litigation proceedings, submit to the jurisdiction of such courts.

22.4. Attorney's Fees and Costs. If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you or an Owner breach any term of a Definitive Agreement, you must reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.

22.5. Waivers. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF §14 OR §17) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY A PARTY.

23. REPRESENTATIONS.

23.1. Corporate Representations. You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Franchisee Entity and shall be enforceable against the Franchisee Entity in accordance with its terms.

23.2. **Franchise Compliance Representations**. You and the Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

23.3. **General Representations**. You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

23.4. **Anti-Terrorism Compliance**. You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and(c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you agree to notify us immediately in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

24. GENERAL PROVISIONS

24.1. **Governing Law.** Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the Laws of the State of Florida, without reference to its principles of conflicts of law, but any Law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

24.2. **Relationship of the Parties.** Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party a general or special agent, legal representative, joint venture, partner, employee or servant of the other for any purpose. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Studio. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Studio that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by any agreements or representations made by the other that are not expressly authorized by this Agreement.

24.3. **Severability and Substitution**. Each section of this Agreement (and each portion thereof) shall be severable. If applicable Law imposes mandatory non-waivable terms that conflict with a provision of this Agreement, the terms required by such Law shall govern to the extent of the inconsistency.

If a court concludes that any promise or covenant in this Agreement is unreasonable or unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make it enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make it enforceable.

24.4. Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payments from you after your breach.

24.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

24.6. Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 120 days. If the period of non-performance exceeds 120 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

24.7. Binding Effect. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement; *provided, however*, that the additional insureds listed in §15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §15.1 and §18, respectively.

24.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.2 AND §24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of the Site Approval Notice attached hereto as ATTACHMENT "B" shall be deemed to amend this Agreement to identify the approved site and (if applicable) Territory for your Studio, regardless of whether you countersign and/or return the Site Approval Notice. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

24.9. Good Faith Covenant. If applicable Law implies into this Agreement a covenant of good faith and

fair dealing, the covenant shall not imply any rights or obligations inconsistent with the express terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.

24.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

24.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an ownership interest in the Studio or Franchisee Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, §13, §14, §16, §18, §21, §22 and §24.

24.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

24.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

24.14. Notice. All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days prior written notice):

YOU: As set forth in Part A of ATTACHMENT "A"

US: (effective prior to October 1, 2024)

Uni K Wax Franchising, LLC
300 SW 1st Ave, Suite 155
Ft. Lauderdale, Florida 33301
Attention: Chief Operations Officer

(effective on or after October 1, 2024)

Uni K Wax Franchising, LLC
DCOTA Office Center (3rd Floor, Suite A-310)
1855 Griffin Rd., Dania Beach, Florida 33004
Attention: Chief Operations Officer

Notice shall be considered given on: (a) the date delivered by hand; (b) one (1) business day after sending by email or comparable electronic system (including any notice that is also sent by mail); or (c) three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested. Notice shall be deemed to have been received upon delivery or first attempted delivery to the proper notice address in accordance with this Section.

24.15. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

The parties below have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Uni K Wax Franchising, LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____

YOU (If you are an Entity):

_____,
a(n)_____

By:_____
Name:_____
Title:_____

YOU (If you are not an Entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

ATTACHMENT "A"

TO FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details.

Name of Franchisee: [_____]

Is the franchisee one or more natural Persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the franchisee is a business Entity, each Person holding a direct or indirect Equity Interest in the Franchisee Entity, and spouse of each such Person who is a natural Person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect ownership interest in the Business (or the Franchisee Entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: [_____]

B. Site Selection Area.

The Site Selection Area referenced in the Franchise Agreement shall consist of the following geographic area: [_____]

* *The Site Selection Area is not your territory and there are no protections associated with this area*.

C. Approved Site.

We hereby approve the site listed below for your Studio.

Approved Address: [_____]

* *If the site for your Studio has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §7.1 listing the address of your approved site.*

D. <u>Territory</u>.

The Territory referenced in the Franchise Agreement consists of, and shall be limited to, the following geographic area (as may be further depicted on a map attached below or the following page):

[_____]

If the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below or on the following page).

* *If your Territory has not been designated by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §3 identifying the geographic area that comprises your Territory.*

[Insert Map Below (if applicable)]

ATTACHMENT "B"

TO FRANCHISE AGREEMENT

FORM OF SITE APPROVAL NOTICE

[See Attached]

SITE APPROVAL NOTICE

Uni K Wax Franchising, LLC ("we" or "us") is issuing this Site Approval Notice (this "Notice") to _____ ("you"), effective _____, 202___, in connection with the UNI K WAX® Franchise Agreement (the "Franchise Agreement") that we executed with you on _____, 202___. The purpose of this Notice is to confirm our approval of the site you proposed for your Studio and, if not already specified in the Franchise Agreement, our designation of the boundaries of your "Territory".

Approved Address:

Pursuant to §7.1 of the Franchise Agreement, we hereby approve the site listed below for your Studio:

_____
_____
_____

Territory: (only completed if Territory undetermined when Franchise Agreement signed)

Pursuant to §3 of the Franchise Agreement, we hereby designate the following geographic area as your "Territory" under the Franchise Agreement (as may be further depicted on the map attached on the following page):

[_____]

If there are any changes to the zip codes or other boundaries that define your Territory during the term of the Franchise Agreement or any renewal term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes or other boundaries in effect as of the Effective Date and depicted on the map on the following page.

* * *

By signing below, you and we agree that: (a) the address identified in this Notice shall be deemed the approved site for your Studio established and operated pursuant to the Franchise Agreement; and (b) the geographic area described in this Notice under "Territory" shall be deemed your Territory under the Franchise Agreement. You acknowledge and agree that our acceptance of the site you proposed is in no way a representation by us that your site will be successful. Rather, our acceptance merely indicates the site meets our minimum standards and requirements.

We request that you sign below and send us an executed copy of this Notice to acknowledge your receipt. However, your failure or refusal to sign below will not invalidate or otherwise affect our designation of your approved site or Territory. Our designation of your approved site and Territory, as set forth in this Notice, shall be binding on you effective as of the effective date listed in the first paragraph in this Notice.

Franchisor	**Franchisee**
Uni K Wax Franchising, LLC	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

ATTACHMENT "C"

TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

This Lease Addendum (this "Agreement") is executed as of _____, 202__ by and among Uni K Wax Franchising, LLC, a Delaware limited liability company ("Franchisor"), [_____], a(n) [_____], with principal offices located at [_____] ("Landlord"), and [_____], a(n) [_____], with principal offices located at [_____] ("Tenant").

Background

A. On [_____], 202[__], Franchisor and Tenant executed a UNI K WAX® Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor granted Tenant the right and obligation to develop, open and operate a UNI K WAX® studio at the premises described in Exhibit "A" (the "Premises").

B. Concurrently with the execution of this Agreement, Landlord and Tenant are executing a lease agreement (the "Lease"), pursuant to which Landlord will lease the Premises to Tenant.

C. To protect Franchisor's rights and interests under the Franchise Agreement, Landlord agrees to grant certain rights to Franchisor as set forth below.

Agreement

1. Default Notices. Landlord agrees to provide Franchisor with copies of all written default notices sent to Tenant at the same time such notices are sent to Tenant. Landlord agrees to send such copies to Franchisor by email and registered mail as set forth below (Franchisor may change the notice email and address from time to time by sending written notice to Landlord):

Mail: (if prior to October 1, 2024)	(if on or after October 1, 2024)
Uni K Wax Franchising, LLC	Uni K Wax Franchising, LLC
300 SW 1st Ave, Suite 155	DCOTA Office Center (3rd Floor, Ste A-310)
Ft. Lauderdale, Florida 33301	1855 Griffin Rd., Dania Beach, Florida 33004
Attention: Chief Executive Officer	Attention: Chief Executive Officer
Email: compliance@unikwaxgroup.com	Email: compliance@unikwaxgroup.com

2. Right to Cure. If Tenant defaults under the Lease, Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. In such event, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining Landlord's or Tenant's consent. Franchisor may thereafter assign the Lease to another UNI K WAX® franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

3. Right to Assign. At any time, including, without limitation, upon the expiration or termination of the Franchise Agreement, and without Landlord's prior consent, Tenant may assign the Lease to Franchisor. In such event, Franchisor may thereafter assign the Lease to another UNI K WAX® franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

4. Right of First Refusal. Landlord hereby grants Franchisor the first right of refusal to lease the Premises as the new tenant upon the expiration or termination of the Lease. Franchisor shall have a period of 30 days after the expiration or termination of the Lease to decide whether to exercise its right of first refusal.

5. Expiration or Termination of Franchise Agreement. Landlord agrees that the expiration or termination of

the Franchise Agreement shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's interests under the Lease in accordance with §2 above.

6. Exclusive Rights. Landlord agrees to grant Tenant the exclusive right to operate a waxing business in the shopping center in which the Premises is located.

7. Acknowledgement of Rights. Landlord acknowledges Franchisor's rights under the Franchise Agreement to enter the Premises, without being guilty of trespass or any other tort or crime, to: (a) make any modifications or alterations to the Premises that Franchisor deems necessary to protect its franchise system or trademarks; and (b) remove any trade fixtures, interior or exterior signs and other items bearing Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement.

8. Modification of Lease. Landlord and Tenant will not amend, modify, supplement, terminate, renew or extend the Lease without Franchisor's written consent.

9. Miscellaneous.

   (a) In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

   (b) All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

   (c) This Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

   (d) This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Uni K Wax Franchising, LLC, a Delaware limited liability company

By:_____
Name:_____
Date:_____

LANDLORD:

_____, (a)n _____
_____

By:_____
Name:_____
Date:_____

TENANT:

_____, (a)n _____
_____

By:_____
Name:_____
Date:_____

EXHIBIT “A” TO LEASE ADDENDUM

DESCRIPTION OF PREMISES

_____

_____

ATTACHMENT "D"

TO FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "Agreement") is entered into by: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner, in favor of Uni K Wax Franchising, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you".

1. Definitions. Capitalized terms used in this Agreement shall have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

"*Development Agreement*" means, if applicable, the Area Development Agreement pursuant to which the Franchise Agreement was executed.

"*Franchise Agreement*" means the UNI K WAX® Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

"*Franchisee*" means _____. For purposes of this Agreement, the term "Franchisee" shall be deemed to refer to both: (a) [_____], as Franchisee under the Franchise Agreement; and (b) the Person who signed the Development Agreement (if applicable), as Developer, if such Person is different than Franchisee.

"*Restricted Period*" means the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which neither you nor your spouse holds any direct or indirect ownership interest in the Franchisee entity or the Studio that it operates; *provided, however*, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then Restricted Period means the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which neither you nor your spouse holds any direct or indirect ownership interest in the Franchisee entity or the Studio that it operates.

"*Studio*" any UNI K WAX® Studio that is authorized to operate under our Marks and use our System.

2. Background. In your capacity as an owner (or the spouse of an owner) of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to "owners" and not just Franchisee. You agree to comply with this Agreement to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee's Studio in compliance with the Franchise Agreement and Manual; (ii) maintain the confidentiality of Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an owner of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

(b) Unfair Competition. You may not engage in any Prohibited Activities at any time: (i) that you are (or

your spouse is) an owner of Franchisee; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach.

(c) Family Members. Because you could circumvent the purpose of §3 by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family (i) engages in any Prohibited Activities at any time that you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

(d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable both in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we both believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure the covenants are enforceable under applicable law.

(e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. We must approve all persons who hold a direct or indirect ownership interest in the Franchisee entity. If you are an owner of Franchisee, you agree that you will not directly or indirectly sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in the Franchisee entity except in accordance with §19 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all other Definitive Agreements (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive:

(i) acceptance and notice of acceptance by us of the foregoing undertakings;

(ii) notice of demand for payment of any indebtedness guaranteed;

(iii) protest and notice of default to any party with respect to the indebtedness guaranteed;

(iv) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. **Dispute Resolution.** Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures in the Franchise Agreement. Notwithstanding the foregoing, if any dispute resolution procedures in the Franchise Agreement conflict with any terms of this Agreement, the terms of this Agreement shall prevail. **You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with the terms thereof.**

7. **Miscellaneous**.

   (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.

   (b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

   (c) Any claim, defense or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

   (d) Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

   (e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provision of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

In witness whereof, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By:_____

Name:_____

Date:_____

OWNER / SPOUSE

By:_____

Name:_____

Date:_____

OWNER / SPOUSE

By:_____

Name:_____

Date:_____

ATTACHMENT "E"

TO FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes Uni K Wax Franchising, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:_____ Date:_____

Name:_____

Title:_____

Federal Tax ID Number:_____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "F"

TO FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT

[See Attached]

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Uni K Wax Franchising, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement the following terms have the meanings given to them below:

"*Business Data*" means all data pertaining to Franchisee's Studio, customers and business operations, whether collected by you, Franchisee, us or any other person.

"*Competing Business*" means any business that meets at least one of the following criteria: (a) any business that derives, or can reasonably be expected to derive, at least 20% of its revenues from the sale of waxing and/or other hair removal services and products; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any UNI K WAX® Studio operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Studio, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Studio.

"*Franchisee*" means the UNI K WAX® franchisee for whom you are an officer, director, employee or independent contractor.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Studio, (b) method of operation of a Studio, (c) processes, systems or procedures utilized by a Studio, including new or modified waxing techniques, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Studio or (e) trademarks, service marks, logos or other intellectual property utilized by a Studio, whether developed by you or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Studio, including, but not limited to: architectural plans, drawings and specifications for a prototype Studio; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing and merchandising strategies; merchandising strategies; financial information; and information comprising the

System or included in the Manual.

"*Manual*" means our confidential brand standards manual for the operation of a Studio.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Studios to use, including "UNI K WAX®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Studio or the products it sells.

"*Prohibited Activities*" means and includes any of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative or in any similar capacity) in a Competing Business other than owning an interest of 5% or less in a publicly traded company that is a Competing Business; (b) disparaging or otherwise making negative comments about us, our affiliate, the System and/or any Studio; (c) diverting or attempting to divert any business from a Studio; and/or (d) inducing any customer of a Studio to transfer their business to a competitor.

"*Restricted Period*" means the two (2) year period after you cease to be an officer, director, employee or independent contractor of Franchisee; *provided, however*, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then Restricted Period means the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

"*Restricted Territory*" means the geographic area within: (a) a 15-mile radius from Franchisee's Studio (and including the Studio's premises itself); and (b) a 15-mile radius from all other Studios that are operating or under construction as of the date of this Agreement and remain in operation or under construction during all or any part of the Restricted Period; *provided, however*, that if a court of competent jurisdiction determines the foregoing Restricted Territory is too broad to be enforceable, then Restricted Territory means the geographic area within a 10-mile radius from Franchisee's Studio (and including the Studio's premises itself).

"*Studio*" any UNI K WAX® Studio that is authorized to operate under our Marks and use our System.

"*System*" means the system developed for the operation of a Studio, the characteristics of which include: the Marks; distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; proprietary and/or branded products; high quality waxing services, techniques and products; comprehensive training programs; advertising and marketing strategies; merchandising strategies; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. To avoid such damage, you agree to comply with the terms of this Agreement.

3. Brand Protection Covenants.

(a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee's Studio; (ii) maintain the confidentiality of all Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an officer, director, employee or independent contractor of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

(b) Unfair Competition. You may not engage in any Prohibited Activities at any time: (i) that you are an officer, director, employee or independent contractor of Franchisee; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the

Restricted Period as long as the Competing Business is not located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not be construed as a waiver of your breach or impair any of our rights or remedies relating to your breach.

(c) Family Members. Because you could circumvent the purpose of this Agreement by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family engages in any Prohibited Activities at any time that you are prohibited from engaging in the Prohibited Activities or uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

(d) Covenants Reasonable. You agree that: (i) the covenants in this Agreement are reasonable both in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with this Agreement. Although you and we both believe the covenants in this Agreement are reasonable, we may at any time unilaterally modify the terms of the brand protection covenants in §3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure that the covenants are enforceable under applicable law.

(e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Miscellaneous.

(a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.

(b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have exclusive jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section and subsection of this Agreement is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) If you are a resident of Washington, D.C. as of the date you sign this Agreement, then the noncompetition covenant set forth in this Agreement shall not be applicable to you and the definition of "Prohibited Activities" shall be deemed amended by deleting clause (a) from such definition.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By:_____

Name:_____

Date:_____

ATTACHMENT "G"

TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Uni K Wax Franchising, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement the following terms have the meanings given to them below:

"*Business Data*" means all data pertaining to Franchisee's Studio, customers and business operations, whether collected by you, Franchisee, us or any other person.

"*Confidential Information*" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Studio, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any confidentiality obligation imposed on such person.

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Studio.

"*Franchisee*" means the UNI K WAX® franchisee for whom you are an officer, director, employee or independent contractor.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Studio, (b) method of operation of a Studio, (c) processes, systems or procedures utilized by a Studio, including new or modified waxing techniques, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Studio or (e) trademarks, service marks, logos or other intellectual property utilized by a Studio, whether developed by you or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Studio, including, but not limited to: architectural plans, drawings and specifications for a prototype Studio; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing and merchandising strategies; merchandising strategies; financial information; and information comprising the System or included in the Manual.

"*Manual*" means our confidential brand standards manual for the operation of a Studio.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Studios to use, including "UNI K WAX®" and the associated logo. The Marks also include any distinctive trade dress used to identify a Studio or the products it sells.

"*Studio*" any UNI K WAX® Studio that is authorized to operate under our Marks and use our System.

"*System*" means the system developed for the operation of a Studio, the characteristics of which include:

the Marks; distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; proprietary and/or branded products; high quality waxing services, techniques and products; comprehensive training programs; advertising and marketing strategies; merchandising strategies; and operating system.

2. **Background.** You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. To avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property and Confidential Information**. You agree to: (a) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee's Studio; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing any Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an employee or independent contractor of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

4. **Family Members**. Because you could circumvent the purpose of this Agreement by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family uses or discloses Confidential Information. You may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

5. **Breach**. You agree that: (a) any failure to comply with this Agreement is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6. **Miscellaneous**.

   (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.

   (b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

   (c) Each section and subsection of this Agreement is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

By:_____

Name:_____

Date:_____

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

[See Attached]

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER: _____
DATE: _____

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ATTACHMENTS

ATTACHMENT "A" Deal Terms

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Uni K Wax Franchising, LLC, a Delaware limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings given to them below, or if not defined below, the meanings given to them in the Initial Franchise Agreement.

"*Developer Entity*" means the Entity that: (a) signs this Agreement as the area developer (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*Development Business*" means the franchised business you conduct pursuant to this Agreement consisting of developing and opening Studios within the Development Territory.

"*Development Fee*" means the development fee you pay in consideration of the development rights granted by this Agreement, the amount of which is listed in Part B of ATTACHMENT "A".

"*Development Schedule*" means the schedule described in §4.1 and Part C of ATTACHMENT "A" for the development of the Studios within the Development Territory.

"*Development Territory*" means the geographic area described in Part D of ATTACHMENT "A".

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the area development rights; or (c) the relationship between the parties.

"*Franchise Agreement*" means a UNI K WAX® Franchise Agreement executed by us and you (or your affiliate) for the development and operation of a Studio pursuant to this Agreement.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §7.2 in connection with a Transfer.

"*Initial Franchise Agreement*" means the Franchise Agreement you execute for the first Studio to be developed pursuant to this Agreement.

"*Initial Franchise Fee*" means the initial franchise fee you must pay for each Studio you commit to develop under this Agreement, the amount of which is listed in Part B of ATTACHMENT "A".

"*Owner*" means a Person who meets any of the following criteria: (a) the Person directly signs this Agreement as the area developer, either alone or in conjunction with one or more other Persons; (b) the Person directly or indirectly through one or more intermediaries owns any Equity Interest in the Developer Entity (if the area developer under this Agreement is an Entity); (c) the Person directly signs a Franchise Agreement as the franchisee, either alone or in conjunction with one or more other Persons; and/or (d) the Person directly or indirectly through one or more intermediaries owns any Equity Interest in any affiliate of yours that executes a Franchise Agreement as authorized by §6.

"*Permitted Transfer*" means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer that results in the Managing Operator no longer holding a material ownership interest in the Development Business or the Developer Entity, as applicable; and/or (b) a Transfer by the Owners to a newly established Developer Entity for which such Owners collectively own and control 100% of the Equity Interests.

"*Studio*" any UNI K WAX® Studio that is authorized to operate under our Marks and use our System.

"*Term*" means the period of time beginning on the Effective Date of this Agreement and expiring on the earlier to occur of: (a) the opening date listed in the Development Schedule for the last Studio you are required to open; or (b) the date this Agreement is effectively terminated.

"*Transfer*" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the area development rights granted by this Agreement (or any interest therein);

(c) the Development Business you conduct pursuant to this Agreement (or any interest therein);

(d) the right to manage a Studio or occupy its premises; or

(e) an Equity Interest in the Developer Entity, including public and private offerings;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests in the Developer Entity; foreclosure of a security interest by a lender; or operation of Law, will or a trust upon the death of an Owner of the Developer Entity, including the Laws of intestate succession.

2. GRANT OF DEVELOPMENT RIGHTS. Subject to the terms of this Agreement, we hereby grant you the right and obligation to develop, open and operate each of the Studios referred to in the Development Schedule. Each Studio must be located within the Development Territory. This Agreement does not grant you any right or license to use our Intellectual Property.

3. TERRITORIAL PROTECTIONS AND LIMITATIONS. During the Term we will not develop or operate, or license a third party to develop or operate, a Studio that is physically located within the Development Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Development Territory through Alternative Channels of Distribution.

4. DEVELOPMENT OBLIGATIONS

4.1. **Development Schedule**. You must develop, open and operate all Studios listed in the Development Schedule. You must develop and open each Studio in strict compliance with the opening dates set forth in the Development Schedule. We may, in our sole discretion, extend one or more opening dates listed in the Development Schedule if you demonstrate to our satisfaction that you used best efforts to comply with the opening date and the need for the extension is due to unforeseeable delays rather than your lack of diligence or funding. The opening date listed in the Development Schedule for a given Studio may be earlier than the opening date required under the terms of the associated Franchise Agreement. In order to comply with the Development Schedule you must open each Studio by the opening date listed in the Development Schedule even if such date is earlier than the opening date required by the associated Franchise Agreement.

4.2. **Site Selection**. You must select a specific site within the Development Territory for each Studio in compliance with our then-current site selection criteria. Each site you select is subject to our prior approval in accordance with the applicable Franchise Agreement.

4.3. **Franchise Agreements**. You must sign a separate Franchise Agreement for each Studio. You must sign the Initial Franchise Agreement for your first (1st) Studio at the time you sign this Agreement. We will not review proposed sites for a Studio until you sign the applicable Franchise Agreement for that Studio. Each Franchise Agreement shall be our then-current form of Uni K Wax Franchise Agreement (provided you will be deemed to have paid the Initial Franchise Fee in full by virtue of your payment of the Development Fee), the terms of which may vary materially and substantially from the terms of the Initial Franchise Agreement. You have no right to construct or operate a Studio until the parties have signed the Franchise Agreement and all ancillary agreements for that Studio. You must develop, open and operate each Studio in compliance with the Franchise Agreement and the Manual.

4.4. **Additional Studios**. You may not develop any Studio other than the Studios listed in the Development Schedule unless we, in our sole discretion, permit you to enter into a new area development agreement, which will be upon such terms that we specify, after you develop all Studios listed in the Development Schedule in accordance with this Agreement.

5. DEVELOPMENT FEE. At the time you sign this Agreement you must pay us a Development Fee in the amount set forth in Part B of ATTACHMENT "A". The Development Fee is calculated as the sum of the total aggregate Initial Franchise Fees you must pay for all Studios you commit to develop pursuant to this Agreement. The Development Fee is deemed to satisfy the Initial Franchise Fee imposed under each Franchise Agreement you execute pursuant to this Agreement. The Development Fee is fully earned and nonrefundable upon execution of this Agreement regardless of whether you actually develop any of the Studios listed in the Development Schedule.

6. DEVELOPER ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Developer Entity authorizing the execution of this Agreement, a copy of its organizational documents and a current Certificate of Good Standing. You may form a separate Entity to enter into each Franchise Agreement provided that: (a) the Person or Persons owning the Equity Interests (and the percentage of the Equity Interests owned) in each such Entity must be the same Person or Persons owning the Equity Interests (with the same percentage of the Equity Interests owned) in the Developer Entity; and (b) each such Entity guarantees the performance of all other Entities formed under the authority of this §6. Each Owner, and the spouse of each Owner who is a natural Person, must sign a Franchise Owner Agreement.

7. TRANSFERS

7.1. **By Us**. This Agreement is fully assignable by us, without prior notice to you, and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment.

7.2. **By You**. The rights and duties created by this Agreement are personal to you and the Owners and are non-transferable except for Permitted Transfers. You and your Owners may engage in Permitted Transfers in accordance with §7.3. Any Transfer, other than a Permitted Transfer, is prohibited and shall be void and constitute a breach of this Agreement.

7.3. **Permitted Transfers.** You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Developer Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Developer Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) agree to sign all documents we reasonably request to effectuate and document the Permitted Transfer.

7.4. **Owner Death or Disability .** Within 180 days after the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned as part of a Permitted Transfer in compliance with §7.3. Any failure to transfer the interest in this manner constitutes a default under this Agreement.

8. TERMINATION OF DEVELOPMENT RIGHTS

8.1. **Reasonableness**. You represent that you: (a) have conducted your own independent investigation and analysis of the prospects for the development of the Studios within the Development Territory; (b) approve the Development Schedule as being reasonable and viable; and (c) recognize that any breach of the Development Schedule is a material breach of this Agreement.

8.2. **Termination By Us**. We may terminate this Agreement, effective upon delivery of a written notice of termination to you, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:

(i) if we terminate any Definitive Agreement due to a default committed by you or one of your Owners or affiliates; or

(ii) if you or one of your Owners of affiliates breaches any provision of this Agreement or any

other Definitive Agreement and fails to cure the breach within 30 days after receipt of a default notice from us.

8.3. **Effect of Termination**. The termination of this Agreement will end all of your rights and development obligations under this Agreement, including without limitation, your interests in the Development Territory and right to sign new Franchise Agreements or open additional Studios. We will not refund any portion of the Development Fee.

9. **DISPUTE RESOLUTION.** Any Dispute between the parties relating to this Agreement shall be resolved pursuant to the dispute resolution provisions in the Initial Franchise Agreement. All such dispute resolution provisions are incorporated herein by reference as if fully set forth in this Agreement.

10. **REPRESENTATIONS.**

10.1. **Corporate Representations**. You and your Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the developer is an Entity, then you and your Owners also jointly and severally represent and warrant to us that: (a) the Developer Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and to perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Developer Entity and shall be enforceable against the Developer Entity in accordance with its terms.

10.2. **Franchise Compliance Representations**. You and your Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates or (ii) such earlier time in the sales process that you requested a copy.

10.3. **General Representations**. You and your Owners jointly and severally represent and warrant to us that: (a) other area developers may operate under different forms of agreement and our obligations and rights with respect to area developers differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other area developers and we have no obligation to offer you the same or similar negotiated terms or concessions.

10.4. **Anti-Terrorism Compliance**. You and your Owners jointly and severally represent and warrant to us that, to the best of your knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you agree to notify us immediately in writing of the

occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

11. GENERAL PROVISIONS

11.1. Governing Law. This Agreement and the franchise relationship shall be governed by the laws of the State of Florida, without reference to its principles of conflicts of law, but any law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

11.2. Severability. Each section and subsection of this Agreement, and any portion thereof, shall be considered severable.

11.3. Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement (including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other area developers; or (d) our acceptance of payments from you after your breach.

11.4. Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 120 days. If the period of non-performance exceeds 120 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

11.5. Binding Effect. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement.

11.6. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

11.7. Good Faith Covenant. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations inconsistent with the express terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants

us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.

11.8. **Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

11.9. **Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an ownership interest in the Development Business or Developer Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

11.10. **Construction.** The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

11.11. **Time of Essence.** Time is of the essence in this Agreement and every term thereof.

11.12. **Notice.** All notices given under this Agreement must be provided in accordance with the Notice Provision of the Initial Franchise Agreement.

11.13. **Counterparts.** This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

The parties below have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Uni K Wax Franchising, LLC, a Delaware limited liability company

By:_____
Name:_____
Title:_____

YOU (If you are an Entity):

_____,
a(n)_____
By:_____
Name:_____
Title:_____

YOU (If you are not an Entity):

_____
Name:_____
_____
Name: _____
_____
Name: _____
_____
Name: _____

ATTACHMENT "A"

TO AREA DEVELOPMENT AGREEMENT

DEAL TERMS

A. Area Developer Details.

Name of area developer: [_____]

Is the area developer one or more natural Persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the area developer is a business Entity, each Person holding a direct or indirect Equity Interest in the Developer Entity, and spouse of each such Person who is a natural Person, must sign a Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect ownership interest in the Business (or the Developer Entity if applicable) along with a description of their ownership interest.

Owner's Name	% Ownership Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: _____
_____
_____
Attention: _____
Email: _____

B. Fees.

- The amount of the Development Fee is $[_____].
- The amount of the Initial Franchise Fee for each Studio varies depending on the total number of Studios you commit to develop under this Agreement in accordance with the following table:

Number of Studios Purchased	Initial Franchise Fee
2 Studios	$45,000 per Studio
3 to 5 Studios	$35,000 per Studio
6 or more Studios	$30,000 per Studio

C. Development Schedule.

You must comply with the following minimum development obligations as specified in §4 of the Agreement:

DEVELOPMENT PERIOD ENDING	NUMBER OF STUDIOS OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF STUDIOS OPENED AND IN OPERATION
1 year after Effective Date		
2 years after Effective Date		
3 years after Effective Date		
4 years after Effective Date		
5 years after Effective Date		
6 years after Effective Date		
7 years after Effective Date		
8 years after Effective Date		
9 years after Effective Date		
10 years after Effective Date		
Total Number of Studios to be Developed: [_____]		

D. Development Territory.

The Development Territory consists of, and shall be limited to, the following geographic area, as may be further depicted on a map attached below or on the following page:

[_____]

but the Development Territory shall exclude the following geographic areas which comprise the territory or territories of Studios that are operating, under development, or for which a franchise agreement has been executed as of the Effective Date of this Agreement:

Excluded territory 1: [_____]

Excluded territory 2: [_____]

Excluded territory 3: [_____]

If the boundaries that define the Development Territory change during the Term, the boundaries of your Development Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below or on the following page).

[Insert Map (if applicable)]

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

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EXHIBIT "F"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists franchisees that were open as of December 31, 2023.

FRANCHISEES OPEN AS OF DECEMBER 31, 2023					
State	**City**	**Address**	**Studio Location Name**	**Phone Number**	**Owner Name(s)**
Florida	Coral Gables	165 Aragon Ave Coral Gables, Florida 33134	Coral Gables	(305) 403-3223	Hector I. Morales
Florida	Cutler Bay	18435 South Dixie Highway Cutler Bay, Florida 33157	Cutler Bay	(786) 706-6131	Nathalie Kanzki Olivier Kanzki
Florida	Doral	Doral Shoppes #106 3655 NW 107th Ave Doral, Florida 33178	Doral	(786) 331-7577	Maria Bermudez
Florida	Fort Lauderdale	672 N. Federal Highway Fort Lauderdale, Florida 33304	Fort Lauderdale	(954) 563-1683	Maria Ponce Frank Ponce
Florida	Kendall	The Palms Town & Country 8354 Mills Drive Kendall, Florida 33183	Kendall	(305) 279-3448	Jose Nunez Lourdes Nunez
Florida	Kissimmee	3056 Dyer Blvd Kissimmee, Florida 34741	Kissimmee	(407) 508-3102	Flavia Morrone Christiane de Roberto
Florida	Miami	Mary Brickell Village 2nd Floor (Ste 242) 900 South Miami Ave Miami, Florida 33130	Brickell	(305) 329-3155	Maria E. Poceiro Antonela Torresi
Florida	Miami	13550 SW 120th St Miami, Florida 33186	London Square	(305) 235-3433	Richelly Perez
Florida	Miami	2420 Biscayne Blvd Miami, Florida 33137	Midtown Miami	(305) 912-3008	Agostina Navarro Barbara Navarro
Florida	Miami	14246 SW 8th St Miami, Florida 33184	West Miami	(305) 226-3909	Esmeralda Calafell
Florida	Miami Lakes	Royal Oaks Shopping Plaza 15466 NW 77th Court Miami Lakes, Florida 33016	Miami Lakes	(305) 824-5547	Ubaldo Perez
Florida	Miramar	3141 SW 160th Ave Miramar, Florida 33027	Miramar	(954) 437-6906	Maria Ponce Frank Ponce
Florida	Pinecrest	9485 South Dixie Highway Pinecrest, Florida 33156	Pinecrest	(305) 663-1246	Richelly Perez
Florida	South Miami	5875 Sunset Drive South Miami, Florida 33143	South Miami	(305) 663-8383	Gabriel Castillo Romina Szperling Vanesa Szperling
Florida	Surfside	9567 Harding Ave Surfside, Florida 33154	Bal Harbour	(305) 865-3535	Richelly Perez

FRANCHISEES OPEN AS OF DECEMBER 31, 2023					
State	**City**	**Address**	**Studio Location Name**	**Phone Number**	**Owner Name(s)**
Florida	Weston	1114 Weston Road Weston, Florida 33326	Weston	(954) 888-4590	Maria Ponce Frank Ponce
New Jersey	Hoboken	606 Washington St Hoboken, New Jersey 07030	Hoboken	(201) 430-7695	Rugnesh Patel Jigar Patel
New Jersey	Jersey City	332 Marin Blvd Jersey City, New Jersey 07302	Jersey City	(201) 268-3878	Jigar Patel Keyur Patel
New York	Brooklyn	8522 5th Ave Brooklyn, New York 11209	Bay Ridge	(718) 509-9300	Tabitha Mainaly Tulasi Kandel
New York	Brooklyn	326 Livingston St Brooklyn, New York 11217	Brooklyn Heights	(718) 285-7353	Ronak Patel Keyur Patel Dhara Patel
New York	Brooklyn	94 N 3rd St Brooklyn, New York 11249	Williamsburg	(718) 204-7028	Ronak Patel Jignesh Patel Padmesh Patel Luvpreet Kaur Aliya Rahman
New York	Manhattan	405 Third Ave Manhattan, New York 10016	Kips Bay	(646) 703-4908	Serden Degalti Kaan Degalti
New York	New Hyde Park	22-22 Jackson Ave Queens, New York 11101	Long Island City	(718) 310-3299	Reema Butala Ankit Butala Preksha Seth Kurien Varghese
New York	New York	333 West 57th St New York, New York 10019	Columbus Circle	(212) 765-0701	Roshan Maharjan Sanjiv KC Santosh Khatri
New York	New York	120 2nd Ave New York, New York 10003	East Village	(212) 335-0742	Ronak Patel
New York	New York	13 West 18th St New York, New York 10011	Flatiron	(212) 255-5561	Keyur Patel Jigar Patel Kalpesh Patel
New York	New York	1312 First Ave New York, New York 10021	Lenox Hill	(212) 739-9273	Nirmal Pradhan
New York	New York	199 Orchard St New York, New York 10002	Lower East Side	(212) 481-2770	Sundhar Maharjan Buddha Maharjan
New York	New York	665 Lexington Ave New York, New York 10022	Midtown East	(212) 321-0272	Ronak Patel Kalpesh Patel Bhavna Patel Divya Patel Luvpreet Kaur Aliya Rahman
New York	New York	1482 3rd Ave Suite 103 B02 New York, New York 10028	Upper East Side	(646) 703-4908	Serden Degalti Kaan Degalti Serpil Ozenc

FRANCHISEES OPEN AS OF DECEMBER 31, 2023					
State	**City**	**Address**	**Studio Location Name**	**Phone Number**	**Owner Name(s)**
New York	New York	375 Sixth Ave Store 4-5 New York, New York 10014	West Village	(212) 369-3016	Moises Briceno John Quinan Pratima Rana Sangeeta Tuladhar Sunil Tuladhar
Texas	Frisco	5355 Dallas Parkway Suite 625 Frisco, Texas 75034	Frisco	(972) 777-5949	Boris Safir Lucia Freire

* These franchisees are also area developers that committed to open multiple franchised businesses under the terms of an area development agreement.

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2023.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2023					
State	**City**	**Address**	**Studio Name**	**Phone**	**Owner Name(s)**
Florida	Kissimmee	3056 Dyer Blvd. Kissimmee, Florida 34741	Windermere/Lake Nona	(407) 508-3102	Flavia Morrone Christiane de Roberto
Florida	Orlando	11960 Yellow Fin Trail Orlando, Florida 32827	Dr. Phillips	(407) 508-3102	Flavia Morrone Christiane de Roberto

* These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement.

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
None			

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

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[See Attached]

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

Uni K Wax Franchising, LLC
Unaudited Interim Balance Sheet
As of May 31, 2024

ASSETS	
Current Assets	
Cash	815,833
Accounts Receivable	38,301
Prepaid expenses and other current assets	21,249
Total Current Assets	**875,382**
Property and equipment, net	**44,315**
Other Assets	
Deposits	32,524
Goodwill, net	2,246,350
Total Other Assets	**2,278,874**
Total Assets	**3,198,571**
LIABILITIES & MEMBER'S EQUITY	
Current Liabilities	
Accounts payable	166,523
Accrued expenses	35,225
Accrued interest Due to related party	42,335
Due to Related Party	1,000
Brand Fund Liability	55,652
Payroll liabilities	59,042
Series Liability	527,791
Gift card liability	22,256
TOTAL CURRENT LIABILITIES	**909,825**
LONG-TERM LIABILITIES	
Deferred franchise fee revenue	370,651
TOTAL LONG-TERM LIABILITIES	**370,651**
MEMBER'S CAPITAL	
Capital Contributions	2,129,018
Accumulated defecit	(113,146)
Current period net result	(97,777)
TOTAL MEMBER'S CAPITAL	**1,918,095**
TOTAL LIABILTIES AND MEMBERS EQUITY	**3,198,571**

Uni K Wax Franchising, LLC
Unaudited Interim Income Statement
For the Five-months ended May 31, 2024

Revenues	$ 1,138,702
Cost of Revenues	292,719
Gross Profit	845,983
Operating Expenses	
Selling, general and administrative expenses	849,370
Depreciation	-
Amortization	-
Total Operating Expenses	849,370
Operating Loss	(3,387)
Other Expenses	
Interest Expense	8,265
Other non-operating	86,125
Total Other Expenses	94,391
Net Loss	(97,777)

UNI K WAX FRANCHISING, LLC

Audited Financial Statements

December 31, 2023

NOTIFICATION TO THIRD PARTY USERS OF THIS REPORT

This report was prepared subject to the terms and conditions set forth in an engagement letter. By relying upon this report, all users shall be deemed to agree to the terms and conditions of that engagement letter. Users intending to rely upon this report should contact the issuer to obtain a copy of its applicable terms and conditions. This report is intended for the exclusive use of the clients of the issuer and others to whom the issuer has expressly granted consent.

UNI K WAX FRANCHISING, LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members
Uni K Wax Franchising, LLC

Opinion

We have audited the accompanying financial statements of **Uni K Wax Franchising, LLC** (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in member's capital, and cash flows for the period June 5, 2023 through December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Uni K Wax Franchising, LLC** as of December 31, 2023, and the results of its operations and its cash flows for the period June 5, 2023 through December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

GRAY, GRAY & GRAY, LLP

Gray, Gray & Gray, LLP

Canton, MA
March, 12, 2024

UNI K WAX FRANCHISING, LLC
BALANCE SHEET
December 31, 2023

ASSETS

CURRENT ASSETS	
Cash	$ 1,035,982
Accounts receivable	43,636
Prepaid expenses and other current assets	85,224
TOTAL CURRENT ASSETS	1,164,842
PROPERTY AND EQUIPMENT, NET	11,455
OTHER ASSETS	
Deposits	35,121
Goodwill, net	2,246,351
TOTAL OTHER ASSETS	2,281,472
TOTAL ASSETS	$ 3,457,769

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

UNI K WAX FRANCHISING, LLC
BALANCE SHEET
December 31, 2023

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES		
Accounts payable	$	133,820
Accrued expenses		5,000
Accrued interest due to related party		43,531
Due to related party		10,938
Brand fund liability		88,441
Payroll liabilities		61,055
Series liability		716,692
Gift card liability		23,018
TOTAL CURRENT LIABILITIES		1,082,495
LONG-TERM LIABILITIES		
Deferred franchise fee revenue		359,401
TOTAL LONG-TERM LIABILITIES		359,401
MEMBER'S CAPITAL		
Capital contributions		2,129,018
Accumulated deficit		(113,145)
TOTAL MEMBER'S CAPITAL		2,015,873
TOTAL LIABILITIES AND MEMBER'S CAPITAL	$	3,457,769

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

UNI K WAX FRANCHISING, LLC
STATEMENT OF OPERATIONS
Period June 5, 2023 through December 31, 2023

REVENUES	$ 1,718,556
COST OF REVENUES	277,305
GROSS PROFIT	1,441,251
OPERATING EXPENSES	
Selling, general and administrative expenses	1,438,232
Depreciation	2,294
Amortization	139,154
TOTAL OPERATING EXPENSES	1,579,680
OPERATING LOSS	(138,429)
OTHER (INCOME) EXPENSES	
Interest expense	28,672
Other income	(68,653)
Other expenses	14,697
TOTAL OTHER (INCOME) EXPENSES	(25,284)
NET LOSS	$ (113,145)

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

UNI K WAX FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBER'S CAPITAL
Period June 5, 2023 to December 31, 2023

	Capital Contributions	Member's Deficit	Total Member's Capital
BALANCE AT JUNE 5, 2023	$ 2,129,018	$ -	$ 2,129,018
NET LOSS	-	(113,145)	(113,145)
BALANCE AT DECEMBER 31, 2023	$ 2,129,018	$ (113,145)	$ 2,015,873

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

UNI K WAX FRANCHISING, LLC
STATEMENT OF CASH FLOWS
Period June 5, 2023 to December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (113,145)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation expense	2,294
Amortization expense	139,154
(Increase) decrease in operating assets:	
Accounts receivable	(6,509)
Prepaid expenses and other current assets	(48,659)
Increase (decrease) in operating liabilities:	
Accounts payable	69,665
Accrued expenses	5,000
Accrued interest	43,531
Due to related party	10,938
Brand fund liability	(1,757)
Payroll liabilities	61,055
Series liability	156,380
Gift card liability	1,762
Deferred franchise fee revenue	(4,659)
NET CASH PROVIDED BY OPERATING ACTIVITIES	315,050
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(9,067)
NET CASH (USED) BY INVESTING ACTIVITIES	(9,067)
INCREASE IN CASH	305,983
CASH AT BEGINNING OF PERIOD	729,999
CASH AT END OF PERIOD	$ 1,035,982

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

NOTE 1: BUSINESS

Principal Business Activity: Uni K Wax Franchising, LLC (the "Company") was formed on March 15, 2023 and is the wholly owned subsidiary of Uni K Wax Group, Inc. ("Group"). Group also owns the following entities:

Uni K Wax Distribution, LLC ("Distribution")	Uni K Wax Just Natural, LLC ("Just Natural")
Uni K Wax R-D, LLC ("R-D")	Uni K Wax Aventura, LLC ("Aventura")
Uni K Wax International, LLC ("International")	Uni K Wax South Beach, LLC ("South Beach")

The Company commenced operations on June 5, 2023 after an asset purchase of UKW Franchising Company, LLC (see Note 3). The accompanying financial statements are for the period June 5, 2023 through December 31, 2023.

The Company is in the business of selling and managing franchises of Uni K Wax Natural Wax Studio, a service mark of the Company. Uni K Wax Natural Wax Studios offer customers face and body waxing products and hair removal services. The studios use a proprietary natural wax. The studios use a proprietary natural wax. As of December 31, 2023, there were 32 franchised studios in operation and 2 corporate owned studios, South Beach and Aventura.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates: The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition: In accordance with *"Revenue from Contracts with Customers (Topic 606)"* ("ASC 606"), revenues are recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company determines revenue recognition by:

1. Identifying the contract, or contracts, with a customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to performance obligations in the contract;
5. Recognizing revenue when, or as, the Company satisfies performance obligations by transferring the promised goods or services.

The following table presents the Company's revenues disaggregated into categories based on the nature of such revenues for the period June 5, 2023 through December 31, 2023:

Royalties	$	833,282
Franchise fees		34,659
Management and advertising fees		850,615
	$	1,718,556

Included in the table above is $224,000 charged to related parties.

The Company generates revenue from franchising through individual franchise agreements, royalties collected from studios, advertising funds, management fees, sales of equipment and training services. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee including assistance in site selection and development, industry training and opening assistance which are all considered separate performance obligations under ASC 606. The franchise agreements require the franchisee to pay an initial, non-refundable fee not to exceed $50,000 ($45,000 initial franchise fee plus $5,000 initial training fee), and continuing royalty fees based upon a percentage of sales. Subject to the Company's approval, renewals and second franchises are offered at a discounted fee. The separate service obligations are accounted for over time as each performance obligation is satisfied. The Company used the cost method to determine the stand-alone selling price for each performance obligation. At studio opening, the remainder of the upfront franchise fee is recognized as revenue over the remaining term of the respective franchise agreement on a straight-line basis. The table below summarizes an example of this revenue recognition for one studio:

Revenue recognized when performance obligation is complete	$	10,000
Revenue recognized over the term of the franchise agreement		40,000
	$	50,000

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A summary of deferred franchise fee revenue is below:

Balance at June 5, 2023	$	364,060
Transfer fee received		30,000
Amortization of deferred franchise fees		(34,659)
Balance at December 31, 2023	$	359,401

Future amortization of deferred franchise fee revenue is as follows:

Years Ending December 31,		
2024	$	61,957
2025		59,919
2026		56,612
2027		50,242
2028		45,219
Thereafter		85,452
	$	359,401

Continuing royalty fees are generally provided for in the franchise agreements as a percent of franchise net sales. The Company applied the sales-based royalty exception within ASC 606. Royalty revenues are recognized as income in the same period in which the sales occur.

The Company accounts for each sale, training or service as a separate performance obligation. Revenue is recognized when the performance obligation is satisfied which typically occurs at the point in time when the control is transferred. Under most contracts, transfer of control occurs when the equipment is provided to the franchisee and the service or training is completed. Revenue is measured as the amount the Company expects to receive in exchange for transferring equipment, training or service.

The Company runs a cooperative advertising fund and receives a marketing fee of 2% of sales. The marketing fee is collected from franchised stores to be used to maximize the general public recognition of the brand. Examples include the development of brand assets, general marketing, advertising, and publicity administered by the Company on behalf of the brand. In accordance with ASC 606, the Company acts as the principal in the advertising transactions. The advertising services are not considered a separate performance obligation because the services are not considered distinct as the services are highly integrated with the franchise right. The fund is administered by the Company. Franchisees remit a percentage of sales as consideration for providing the advertising services. Based on the application of the sales-based royalty exception within ASC 606, the revenue is recognized when the sales occur. The Company is obligated to spend excess advertising funds in the future. When advertising revenues exceed the related advertising expense, the Company accrues advertising cost up to the amount of revenue on an annual basis. The expense is including in marketing and promotion and the revenue is recorded in the franchise contributions for advertising.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts accrued related to funds collected and not expended were $88,441 as of December 31, 2023. The Company recorded revenue and expenses of $245,137 related to the advertising fund ("Brand Fund") for the period June 5, 2023 through December 31, 2023.

The Company offers customers the opportunity to purchase multiple waxing services in a series, typically at a discount. The Company records a liability for monies collected for gift card and series sales to be redeemed at franchisee studios, the liability for which is reduced at the time of redemption. Gift cards do not have an expiration date, while series generally expire two years from the date of issue. Gift card breakage, the amount of gift cards which will not be redeemed, is recognized using estimates based on historical redemption patterns. If the actual redemptions vary from the estimated breakage, gift card breakage income may differ from the amount recorded. Income from series and gift card breakage combined amounted to $68,653 for the period June 5, 2023 through December 31, 2023.

The timing of revenue recognition, billings and cash collections results in accounts receivable (contract asset), and brand fund liabilities, series liability, gift card liabilities and deferred franchise fee revenue (contract liabilities) on the balance sheet. Below is a summary of the contract assets and contract liabilities at the beginning and end of the period:

	December 31, 2023	June 5, 2023
Accounts receivable	$ 43,636	$ 37,127
Brand fund liability	$ (88,441)	$ (90,198)
Series liability	$ (716,692)	$ (560,312)
Gift card liability	$ (23,018)	$ (21,256)
Deferred franchise fee revenue	$ (359,401)	$ (364,060)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Recently Adopted Accounting Guidance - Allowance for Credit Losses: In June 2016, the Financial Accounting Standard Board ("FASB") issued Accounting Standard Update 2016-13 Financial Instruments – Credit Losses ("FASB ASC 326") which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective June 5, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in newly enhanced disclosures only.

Accounts Receivable: Accounts receivable are primarily derived from franchise fees, royalties, transfer and other fees and are carried at the original invoice amount. Effective June 5, 2023, each balance sheet date, the Company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The allowance estimate is derived from a review of the company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. Management believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Company's portfolio segment have remained constant since the Company's inception. The Company has determined no reserve for credit losses was necessary as of December 31, 2023.

The Company writes off receivables when there is information that indicates the customer is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery. The total amount of write-offs was immaterial to the financial statements as a whole for the year ending December 31, 2023.

Property and Equipment: Property and equipment are stated at cost, net of accumulated depreciation. Property and equipment are depreciated when placed into service using the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

	Estimated Useful Lives
Computer and office equipment	3 to 10 Years
Furniture and fixtures	3 to 5 Years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill: The Company accounts for goodwill in conformity with the requirements of Accounting Standards Codification ("ASC") 350, "*Intangibles - Goodwill and Other Intangible Assets*". Goodwill arising from business combinations represents the excess of the purchase price over the fair value of the net assets acquired and is amortized on a straight-line basis over a period of ten (10) years. Goodwill is tested for impairment only when a triggering event occurs. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The Company has determined no triggering event has occurred.

Impairment of Long-Lived Assets: The Company continually reviews its long-lived assets for events or changes in circumstances that indicate the book value of the asset may not be recoverable. As of December 31, 2023. Company management believes no impairment is warranted.

Advertising and Marketing Costs: Advertising and marketing costs are expensed as incurred. Advertising and marketing expense was $320,096 for the period June 5, 2023 through December 31, 2023.

Other Expenses: The Company classifies expenses that are infrequent or unusual in nature and/or unrelated to the operations of the Company as other expenses in the accompanying statements of income.

Business Combinations: Business combinations are accounted for using the purchase method of accounting, whereby the purchase price of the acquisition, including the fair value of contingent consideration, is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date. The results of operations of all business acquisitions are included in the accompanying financial statements from the date of acquisition.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill, as of the acquisition date, is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While the Company uses its best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, the Company's estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date to the extent the Company identifies adjustments to the purchase price or the purchase price allocation, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the statements of income.

The Company applies an accounting alternative allowed for private companies which simplifies the accounting for certain identifiable intangible assets in a business combination. The value of these assets, such as customer relationships, is not separately identified, but is instead effectively subsumed into goodwill.

All acquisition related expenses incurred in connection with a business combination are expensed as incurred and are reflected as transaction expenses in the accompanying statement of operations.

Income Taxes: The Company is a limited liability company. There is no federal and state tax provision, as all of the income and loss is reported on the member's income tax returns. However, in certain circumstances, the Company may be required to pay entity level state income taxes.

Accounting for Uncertain Tax Positions: These financial statements are in accordance with FASB ASC 740, "*Income Taxes* ", which provides detailed guidance for the financial statement recognition, measurement, and disclosure of uncertain tax positions. The Company is required to recognize the financial statement impact of a tax position unless it is more likely than not that the position will be sustained upon examination. The Company will account for interest and penalties related to uncertain tax positions, if any, as part of income tax expense. As of December 31, 2023, the Company has not incurred interest or penalties. Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the period June 5, 2023 through December 31, 2023.

The Company's tax returns are subject to examination by the Internal Revenue Service and certain state agencies. However, the Company is not currently under audit nor has the Company been contacted by any of these jurisdictions.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Leases: In February 2016, the FASB issued new guidance related to the accounting for leases. The new standard, ASC 842, "*Leases*", replaces all current GAAP guidance on this topic. The new standard, among other things, requires a lessee to classify a lease as either an operating or financing lease, and to recognize a lease liability and a right-of-use asset for these leases on the balance sheets. The Company adopted the standard effective June 5, 2023 using the modified retrospective approach, which uses the effective dates as the initial date of application on transition with no retrospective adjustments to prior periods. The adoption of ASC 842 did not have a material impact on the balance sheet or statement of operations.

The Company has also elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise, are not recorded on the balance sheets.

NOTE 3: RELATED PARTY TRANSACTIONS

Acquisition: Effective June 5, 2023, Group acquired substantially all assets and assumed certain liabilities of UKW Franchising Company, LLC, UKW Holding Company, UKW Distribution Center, LLC, UKW International LLC, Aventura Waxing Inc., and South Beach Waxing LLC under an asset purchase and contribution agreement ("APCA") dated April 18, 2023. The APCA also included the purchase of substantially all assets of UKW Holding Company, UKW Distribution Center, LLC, UKW International LLC, Aventura Waxing Inc., and South Beach Waxing LLC. The APCA allocated $2,499,000 of the purchase price to the Company, of which $2,385,505 was recorded as goodwill, which management believes approximates fair value.

Under an intellectual property purchase and assignment agreement ("IPPAA") dated June 5, 2023, Uni K Wax Group, Inc. acquired the IP and inventory of Just Natural Trading, LLC.

Note Payable: Group has a note payable dated June 5, 2023 in the original amount of $4,375,000 with interest at 12%, which is recorded on R-D. The note requires monthly interest payments and quarterly principal payments of approximately $10,940 until June 5, 2028, at which time all unpaid principal and interest is due. The note has a provision which may require accelerated principal payments categorized as excess cash flow payments under the terms of the agreement. The excess cash flow payment due in 2023 amounts to $97,733. The note is collateralized by substantially all assets of Group and its subsidiaries and is subject to certain financial covenants. The balances recorded as accrued interest due to related party and due to related party represent principal and interest related to this note payable. Interest expense recorded in the accompanying statement of operations represents the Company's allocated share of interest expense related to this note for the period June 5, 2023 through December 31, 2023.

NOTE 3: RELATED PARTY TRANSACTIONS (CONTINUED)

Scheduled principal payments on this note payable, which is recorded on R-D, as of December 31, 2023 are as follows:

Years Ending December 31,	Maturities
2024	$ 141,483
2025	43,750
2026	43,750
2027	43,750
2028	4,080,392
	$ 4,353,125

NOTE 4: GOODWILL

Goodwill and the related accumulated amortization consisted of the following as of December 31:

Goodwill	$ 2,385,505
Less: accumulated amortization	139,154
Goodwill, net	$ 2,246,351

Amortization expense for the period June 5, 2023 through December 31, 2023 was $139,154. Future amortization expense for the next five years is estimated as follows:

Years Ending December 31,	
2024	$ 238,551
2025	$ 238,551
2026	$ 238,551
2027	$ 238,551
2028	$ 238,551

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

Computer and office equipment	$	12,928
Furniture and fixtures		821
		13,749
Less: accumulated depreciation		2,294
	$	11,455

Depreciation expense for the period June 5, 2023 through December 31, 2023 was $2,294.

NOTE 6: LEASING ACTIVITIES

Operating Lease: The Company has various leases under a month-to-month operating lease. Lease expense for the period June 5, 2023 through December 31, 2023 amounted to $82,408.

NOTE 7: SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2023, the date of the most recent financial statements, have been evaluated for possible adjustment to the financial statements of disclosure is March 12, 2024, which is the date the financial statements were available to be issued.

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "H"-1

STATE ADDENDA

[See Attached]

STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

BACKGROUND AND PURPOSE

The following modifications are made to the UNI K WAX® Franchise Disclosure Document ("FDD" or "Disclosure Document") issued by Uni K Wax Franchising, LLC ("we" or "us" or "franchisor") to franchisee ("you" or "franchisee") and may supersede, to the extent required by applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 202__ (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the Disclosure Document.

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

3. 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 persons from membership in such association or exchange.

4. The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

5. 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 or Supplemental Agreement restricting venue to a forum outside the State of California.

6. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

7. The Franchise Agreement and Supplemental Agreements may contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

9. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

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

11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.

12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

HAWAII

1. The following is added to the Cover Page:

   THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT 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 YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

   THIS FRANCHISE 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 US AND YOU.

2. Our registered agent in the state authorized to receive service of process:

   Commissioner of Securities of the State of Hawaii
   Department of Commerce and Consumer Affairs
   Business Registration Division
   335 Merchant Street, Room 203
   Honolulu, Hawaii 96813

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".

4. The states in which this filing is or will be shortly on file include the following: _____

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: _____

6. The states, if any, which have revoked or suspended the right to offer these franchises include the following: _____

7. The states, if any, in which the filing of these franchises has been withdrawn include the following: _____

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.

2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinoi is void. However, the Franchise Agreement and Supplemental Agreements may provide for arbitration to take place outside of Illinois.

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

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

5. The Franchise Agreement and Supplemental Agreements are amended to state the following:

To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.

2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.

3. 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, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.

4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.

5. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

   > Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.
   >
   > At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

6. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"), the Disclosure Document is amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

    a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply any liability under the Maryland Franchise Registration and Disclosure Law.

    b. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

    c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

    d. In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

    e. The Franchise Agreement and Supplemental Agreements provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

2. The Franchise Disclosure Questionnaire, which is attached as an Exhibit to the Disclosure Document, is amended as follows:

    All representations requiring prospective franchisees to assent to the release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

    In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement and Supplemental Agreements are amended to add the following:

3. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

4. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

5. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

6. The Franchise Questionnaire that you completed in connection with your application for the franchise requires you, as a prospective franchisee, to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law as a condition to your purchase of the franchise. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

7. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.

8. Nothing in the Franchise Agreement, Supplemental Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(j) A prohibition on the right of a franchisee to join an association of franchisees.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(p) 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:

(v) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(vi) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(vii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(viii) 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.

(q) 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).

(r) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a release that would relieve any person from liability imposed by Minnesota Statutes, Chapter 80C.

2. We will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you 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 your rights as provided for in Minnesota Statues, chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.

4. We will comply with Minnesota Statute Section 80C.12, Subd. 1(g), which requires that we protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. We will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.

6. NSF checks and related interest and attorneys' fees are governed by Minnesota Statute §604.113, which puts a cap of $30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

7. Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

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

NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. The following information is added to the cover page of the Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 following is added at the end of Item 3 of the Disclosure Document:

   Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

   A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions, other than routine litigation incidental to the business, 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.

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 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.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

   Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership

that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5 of the Disclosure Document:

   The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c) of the Disclosure Document, titled "**Requirements for franchisee to renew or extend**," and Item 17(m) of the Disclosure Document, 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.

6. The following language replaces the "Summary" section of Item 17(d) of the Disclosure Document, titled **"Termination by franchisee"**:

   You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j) of the Disclosure Document, titled "**Assignment of contract by franchisor"**:

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v) of the Disclosure Document, titled "Choice of forum", and Item 17(w) of the Disclosure Document, 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.

9. We will not require that you prospectively assent to a release, assignment, novation, waiver, or estoppel that purports to relieve any person from liability imposed by the New York Franchise Law.

10. We will not place any condition, stipulation, or provision in the Franchise Agreement that requires you to waive compliance with any provision of the New York Franchise Law.

11. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the New York Franchise Law is amended to provide for a three (3) year statute of limitations for purposes of bringing a claim arising under the New York Franchise Law.

12. Notwithstanding the transfer provision in the Franchise Agreement, we will not assign the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law (the "North Dakota Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17® of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.

2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee's business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.

3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.

10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.

2. Section 19-28.1-14 of the Rhode Island Franchise Law provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.

3. We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.

4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.

VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

   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 or Supplemental Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.

3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.

4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.

5. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.

2. RCW 19.100.180 may supersede the Franchise Agreement and Supplemental Agreements 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 and Supplemental Agreements 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 Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable 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.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement and Supplement Agreements (if applicable) if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ South Dakota
☐ Hawaii	☐ Minnesota	☐ Virginia
☐ Illinois	☐ New York	☐ Washington
☐ Indiana	☐ North Dakota	☐ Wisconsin
☐ Maryland	☐ Rhode Island	

Dated: _____, 202____

FRANCHISOR:

Uni K Wax Franchising, LLC

By: _____

Title: _____

FRANCHISEE:

_____

By: _____

Title: _____

EXHIBIT "H"-2

FRANCHISEE DISCLOSURE QUESTIONNAIRE

[See Attached]

MAY NOT BE SIGNED OR USED IF FRANCHISEE RESIDES WITHIN, OR THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON OR WISCONSIN.

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Uni K Wax Franchising, LLC ("we" or "us), and you are preparing to enter into a Franchise Agreement for the operation of a UNI K WAX® franchise. We require that you complete this Questionnaire (a) so that we can determine whether our franchise sales team followed proper sales procedures and (b) to provide us with reasonable assurance that, prior to signing the Franchise Agreement, you have had an adequate opportunity to review the Franchise Disclosure Document and its attachments, consult with legal and/or business advisors of your choosing, and ask us questions about any disclosures or terms that you do not understand. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question.

Yes__	No__	l.	Have you received from us and personally reviewed the Franchise Agreement and, if applicable, Area Development Agreement ("ADA"), together with all attachments to those agreements? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	2.	Have you received from us and personally reviewed a Franchise Disclosure Document ("FDD")? *[If you answer "no," please explain in Explanation Section]*
Yes__	No__	3.	Did you sign a receipt for the FDD indicating the date you received it?
Yes__	No__	4.	Do you understand all the information contained in the FDD, Franchise Agreement and ADA (if applicable)? *[If you answer "no," please identify any information you don't understand in Explanation Section]*
Yes__	No__	5.	Did you receive the FDD at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money?
Yes__	No__	6.	Did you receive a complete execution copy of the Franchise Agreement and ADA (if applicable), with all material terms filled in, at least seven (7) calendar days before you signed it?
Yes__	No__	7.	Have you reviewed the FDD, Franchise Agreement and ADA (if applicable) with a lawyer, accountant or other professional advisor?
Yes__	No__	8.	Have you discussed the benefits and risks of developing and operating a UNI K WAX® franchise with an existing UNI K WAX® franchisee?
Yes__	No__	9.	Do you understand the risks of developing and operating a UNI K WAX® franchise?
Yes__	No__	10.	Do you understand the success or failure of your franchise will depend in part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
Yes__	No__	11.	Do you understand that the Franchise Agreement, ADA (if applicable) and the attachments to those agreements contain the entire agreement between us and you concerning the franchise for the UNI K WAX® franchise, meaning any prior oral or written statements not set out in the Franchise Agreement, ADA or the attachments will not be binding?

Yes__ No__ 12. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the costs involved in operating a UNI K WAX® franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 13. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the training, assistance or support that will be provided to you that is not contained in the FDD or that is contrary to, or different from, the information in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 14. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the actual, average, projected or hypothetical profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a UNI K WAX® business may generate, other than any information included in Item 19 of the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated _____	Dated _____
_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant
_____	_____
Name (please print)	Name (please print)
Dated _____	Dated _____

EXPLANATION SECTION

Please include any explanations below and refer to the applicable question number.

_____

_____

_____

_____

_____

_____

_____

_____

EXHIBIT "H"-3

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this "Agreement") is made as of _____, 202__ (the "Effective Date") by _____, a(n) _____ ("you") and each individual holding a direct or indirect ownership interest in you (collectively "Owner") in favor of Uni K Wax Franchising, LLC, a Delaware limited liability company ("us," and together with you and Owner, the "Parties").

Background

A. We signed a Franchise Agreement with you, dated _____, 202____ (the "Franchise Agreement") pursuant to which we granted you the right to own and operate a UNI K WAX® studio;

B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**]; and

C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.

D. In consideration of our consent to the transfer [**our entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

Agreement

1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "Franchisee Parties"), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "Franchisor Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.

2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive §1542 of the California Civil Code, which provides the following:

   > "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

   [Section 2 only applies for California franchisees; otherwise it is omitted]

3. Washington Franchise Law. The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

   [Section 3 only applies for Washington franchisees; otherwise it is omitted]

4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor

Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Miscellaneous.

   (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.

   (b) This Agreement shall be construed and governed by the laws of the State of Florida.

   (c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

   (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.

   (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.

   (f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

   (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.

   (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

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

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

FRANCHISE OWNERS:

_____
Name: _____

_____
Name: _____

_____
Name: _____

EXHIBIT "I"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	April 25, 2024 (amended _____, 2024)
Maryland	
Michigan	September 16, 2023 (amended July 23, 2024)
Minnesota	June 25, 2024 (amended _____, 2024)
New York	June 25, 2024 (amended _____, 2024)
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	April 25, 2024 (amended _____, 2024)

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT "J"

TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

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 Uni K Wax Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Uni K Wax Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

____ Lauren Wanamaker; 9112 E. Verde Grove View, Ste 101-E, Scottsdale, Arizona 85255; (303) 921-1155

____ Heather Harris; 300 SW 1st Ave, Ste 155, Fort Lauderdale, Florida 33301; 954-246-0882

____ _____ (other)

Issuance Date: April 17, 2024 (amended July 23, 2024)

Uni K Wax Franchising, LLC's agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states).

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	List of State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"	Table of Contents of the confidential Brand Standards Manual
EXHIBIT "F"	List of Franchisees
EXHIBIT "G"	Financial Statements of Uni K Wax Franchising, LLC
EXHIBIT "H"	Other Agreements
EXHIBIT "H"-1	State Addenda
EXHIBIT "H"-2	Franchisee Disclosure Questionnaire
EXHIBIT "H"-3	General Release
EXHIBIT "I"	State Effective Dates
EXHIBIT "J"	Receipts

_____
Print Name

_____ _____
Date (Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Uni K Wax Franchising, LLC.)

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 Uni K Wax Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Uni K Wax Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

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____ Lauren Wanamaker; 9112 E. Verde Grove View, Ste 101-E, Scottsdale, Arizona 85255; (303) 921-1155

____ Heather Harris; 300 SW 1st Ave, Ste 155, Fort Lauderdale, Florida 33301; 954-246-0882

____ _____ (other)

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EXHIBIT "H"-2	Franchisee Disclosure Questionnaire
EXHIBIT "H"-3	General Release
EXHIBIT "I"	State Effective Dates
EXHIBIT "J"	Receipts

_____
Print Name

_____ _____
Date (Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Uni K Wax Franchising, LLC.)