FRANCHISE DISCLOSURE DOCUMENT

The Waxxpot Group Franchise, LLC
An Ohio Limited Liability Company
4211 S. Lamar Blvd.
Austin, TX 78704
Phone:614-622-3018
Email: franchising@waxxpot.com
Website: www.waxxpot.com

WAXXPOT®

As a franchisee, you will have the right to establish and operate a WAXXPOT® franchise offering body and facial waxing services for men and women, along with other related services, and the sale of related products. Services include everything from brows to Brazilians which are provided under our trademark "WAXXPOT®."

The total investment necessary to begin operation of one Waxxpot® franchise ranges from $259,325 to $470,925. This includes $46,225 to $52,225 that must be paid to the franchisor or its affiliate. The total investment necessary under the Area Development Agreement for 3 locations to begin operation is $294,925 to $510,025. This includes $80,325 to $86,325 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, The Waxxpot Group Franchise, LLC, Attn: Robert Wharton, Chief Administrative Officer, 4211 S. Lamar Blvd., Austin, TX 78704; 614-622-3018, Email: Robert@waxxpot.com.

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

Buying a franchise is a complex investment. Information in this disclosure document can help you make up your mind. More information on franchising such as "*A Consumer's Guide To Buying a Franchise,*" which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC 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 12, 2022

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 K.
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 O 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 Waxxpot® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Waxxpot® franchisee?	Item 20 or Exhibit K 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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Ohio. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.
2. **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 you.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

NOTICE REQUIRED BY STATE OF MICHIGAN

The following is applicable to you if you are a Michigan resident or your franchise will be located in 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 FRANCHISEE.

(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 sub franchisor.

(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.

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
Attn: Franchise 670 Law Building Lansing, MI 48913
Telephone Number: (517) 373 7117

Our General Agent for Service of Process is: Robert Wharton
The Waxxpot Group Franchise, LLC
4211 S. Lamar Blvd. Austin, TX 78704

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

To simplify the language in this Franchise Disclosure Document "**Waxxpot**" or "we," "us," or "our" means **The Waxxpot Group Franchise, LLC**, the "**Franchisor**." **You** or "**your**" means the person, corporation, partnership or other business entity that buys the franchise, the "**Franchisee**." If you are a corporation, partnership or other entity, "**you**" includes your individual owners, and your owners must sign our Agreements personally which means that the provisions of our Area Development Agreement (Exhibit C) and Franchise Agreement (Exhibit B) and also will apply to your owners.

The Franchisor

We are an Ohio Limited Liability Company formed on February 3, 2020. Our principal business address is 4211 S. Lamar Blvd., Austin, TX 78704, and our phone number is 614-622-3018. We do business under our corporate name and as "Waxxpot," and under no other names. One of our affiliates, The Waxxpot Group, LLC began operating company-owned stores in April 2016, and we began offering franchises in March 2020. We do not conduct business in any other line of business, nor do we offer franchises in any other line of business. Our affiliate, The Waxxpot Group, LLC, currently operates seven company-owned locations in Ohio and Texas. The Waxxpot Group, LLC also has partial ownership of one location in Georgia (S&D Georgia, LLC, a Georgia Limited Liability Company formed on August 22, 2017) and one location in Ohio (Flyers DMD, LLC, an Ohio Limited Liability Company formed on June 6, 2018). The Waxxpot Group, LLC had partial ownership of one location in Colorado (SDR LTD. a Colorado limited liability company formed on May 3, 2018) until June 30, 2020, but as of July 1, 2020, this location became a wholly-owned company store.

Our agents for service of process are disclosed on Exhibit A.

Parent, Predecessor, and Affiliates

Our parent is The Waxxpot Group Holdings, LLC, an Ohio Limited Liability Company formed on February 5, 2020. Our affiliates include: The Waxxpot Group Distribution, LLC, an Ohio Limited Liability Company formed on February 3, 2020; The Waxxpot Group Marketing, LLC, an Ohio Limited Liability Company formed on February 3, 2020;The Waxxpot Group Trademark, LLC, an Ohio Limited Liability Company formed on February 3, 2020; and The Waxxpot Group Technology, LLC, an Ohio Limited Liability Company formed on February 25, 2020. These affiliates are owned by our parent, The Waxxpot Group Holdings, LLC.

The following are affiliated companies operating a Waxxpot®-branded location in which our affiliate, The Waxxpot Group, LLC has partial ownership: SDR LTD. ; S&D Georgia, LLC; and Flyers DMD, LLC.

Neither our parent nor any of our affiliates have offered franchises in any line of business including those offered by us. We and The Waxxpot Group, LLC, The Waxxpot Group

Distribution, LLC, The Waxxpot Group Marketing, LLC, The Waxxpot Group Trademark, LLC and The Waxxpot Group Technology, LLC are each wholly-owned subsidiaries of The Waxxpot Group Holdings, LLC.

We do not have any predecessors during the 10 year period immediately before the close of our most recent fiscal year.

The Business

The Waxxpot® concept traces its roots to 2003, when founder, Daniel Sadd, created Salon Lofts, LLC to provide salon suite rental to independent beauty entrepreneurs so they could run their own beauty businesses in their own space.

His vision led to uncompromising standards in training Waxxpot® Specialists with specialized industry knowledge to perform hair removal services to our standards. Our affiliate's, (The Waxxpot Group, LLC) second company-owned store opened in late 2016 in Columbus, Ohio, and as of February 2020 our affiliate owns and operates six Waxxpot® locations and maintains partial ownership interest in three additional Waxxpot® locations through our affiliates (SDR LTD., S&D Georgia, LLC, and Flyers DMD, LLC).

We offer franchises to qualified individuals and entities for the establishment, development, and operation of businesses offering facial and body waxing services, and additional beauty and personal care services that may be added from time to time, for women and men and the sale of related products and services under the "WAXXPOT®" trademark, trade name, service mark and logos ("**Marks**"). We provide a unique system with high standards of service, focusing on hair removal and waxing services for everything from brows to Brazilians under our Marks.

Our system includes valuable know-how, information, trade secrets, confidential information, strong brand image, education and training programs and methods, waxing procedures, membership programs, gift certificate programs, advertising and marketing specifications and requirements, standards, designs, intellectual property, sources and specifications, methods of Internet usage and marketing, the sale of proprietary products, and research and development connected with the operation and promotion of Waxxpot® franchises ("**System**"); all of which we may change, improve, and further develop.

System support and guidance are provided through our confidential Operations Manual, guides and other documents that we currently make available to franchisees, primarily through our Franchisee Extranet. You are not authorized to use, nor will you have access to our confidential Operations Manual after the expiration or termination of your franchise rights. We reserve the right to change or otherwise modify the System at any time in our sole discretion.

By agreeing to operate your Waxxpot® franchise, you agree to abide by and uphold the System standards. You must operate your franchise in accordance with our standard business operating practices and Marks as governed by our franchise agreement ("**Franchise Agreement**"). Your Waxxpot® franchise must offer authorized services and products, specifically including facial and body waxing services and products and must follow our policies and procedures. Your Waxxpot® franchise must be open for business a minimum of seven days a week during the hours required in our confidential Operations Manual. We reserve the right to add, modify, or delete any services

or products that you must offer or sell at your location in our sole discretion, and change and modify our policies.

We will grant you the right to operate one Waxxpot® store at a location specified in your Franchise Agreement. We also offer to qualified individuals and entities the right to develop multiple locations within a specific territory under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you must also sign a separate Franchise Agreement for each Waxxpot® location developed under your Area Development Agreement. You will sign the first Franchise Agreement when you sign the Area Development Agreement. The form of these agreements will be the forms attached to this Disclosure Document (EXHIBIT B and EXHIBIT C). Future Franchise Agreements that you will sign under an Area Development Agreement, will be in the form of agreement we use at that time. The terms of those agreements may differ from the form Franchise Agreement attached to this Disclosure Document.

General Description of the Market Competition

You will sell body and facial waxing services, and additional beauty and personal care services that may be added from time to time, and authorized products, to the general public. Your franchise will compete in the beauty industry. The market is developed and very competitive and your franchise will compete for discretionary consumer spending. You will compete with high-end businesses that offer hair removal services at higher price points, and budget oriented businesses that offer hair removal services at lower price points.

You will be competing for customers who can select from a range of other companies and organizations who offer hair removal services and products, including salons, spas, and other entities that offer services including waxing, laser technology, tanning and other beauty-related services. Competitors may include individuals and small-to-large size companies, as well as other franchise concepts, national chains, health clubs, spas, salons and beauty parlors, e- commerce (Internet) businesses and independently owned companies.

You should speak with an attorney or other legal advisor to discuss potential risks in operating a business of this type and to learn more about the laws and regulations that could impact your Waxxpot® Franchise which are summarized below.

Regulations Specific to the Industry

Most states have licensing and permitting laws and regulations that may be applicable to the operation of your franchise. For example, many jurisdictions have laws which require aesthetician licensing, cosmetologist licensing, other related licensing, bonding, insurance, compliance with certain building codes, safety regulations, health requirements and other similar requirements. Your franchise may be required to comply with one or more of these requirements in your jurisdiction. Most states have laws and regulations requiring licensed aestheticians to perform waxing services. Some states have laws and regulations that restrict the types of services and treatments aestheticians can offer. Some states may also have laws related to the minimum age of a customer (we refer to a 'customer' as a 'guest') before receiving these types of services, including intimate services. You must investigate these laws in your state and locale.

In performing services at your franchise, your guests or employees may bleed, and as such, you should be familiar with, and understand the laws and regulations designed to minimize exposure to blood borne pathogens. Your franchise, as a service and retail business, must understand local and state consumer protection laws and requirements for services and requirements for product labeling, retail displays and point-of-sale retail displays.

Your franchise will be subject to national, state and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, occupational health and safety, equal employment opportunity, taxes, hazardous material communication to employees, and business licensing requirements. In addition, you must comply with all zoning laws and regulations applicable to the business operation. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including Payment Card Industry ("PCI") Data Security Standard ("DSS"). Compliance with the PCI DSS is your responsibility. Franchisee must also comply with data privacy laws that affect the safekeeping of customer information, and regulations that apply to electronic marketing, on the internet, by faxes, emails, text messaging and telemarketing. As a retail business, you will have to understand consumer protection laws, including possibly state and local requirements, for product labeling and displays within your location, your point-of-sale systems and the internet.

Some states have laws regulating the sale of service packages and the offering of financing arrangements used in purchasing service packages, which may require registration and acquisition of a permit to engage in such activity. Some states have laws regulating the sale of gift cards, where you will collect funds for services or items that may or may not be redeemed at a later date. You should understand the laws and regulations pertaining to abandonment of property which may be caused if services or items are not redeemed in a timely manner. Typically, these laws are referred to as escheat laws with which you may be required to comply. These laws are designed to protect the public from being taken advantage of with respect to financing fees and terms, but some laws apply even if no financing terms apply. We may require you to obtain a surety bond to protect customers who purchase service packages and/or gift cards, although as of the date of this Disclosure Document, We do not require you to do so.

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

You must also comply with applicable employment laws, including federal and state discrimination laws, minimum wage, and other laws and regulations that apply to businesses generally. We do not offer opinions or assistance with local licensing issues. You are encouraged to retain local counsel to advise and assist you with these matters.

You must investigate whether there are any local regulations and requirements that apply in the geographic area in which you are interested in locating your franchise, and you should consider both their effect and the cost of compliance. You may also be required to register your Waxxpot® location with a state agency. State sales tax obligations may also affect your business.

You are responsible for knowing and complying with all laws and licensing requirements related to

the operation of your franchise. We strongly recommend that you consult with your own counsel concerning all applicable licenses, laws, and regulations before you decide to purchase a franchise. You must investigate all these laws in your state and locale.

ITEM 2: BUSINESS EXPERIENCE

CEO/President: Daniel Sadd

Mr. Sadd is the Founder of The Waxxpot Group Franchise, LLC, serving as Chairman and Chief Executive Officer since our inception in February 2020. Mr. Sadd is also Founder of The Waxxpot Group, LLC (our affiliate) (serving as Chairman and Chief Executive Officer since April 2016); and since inception in February 2020 serving as Chairman and Chief Executive Officer of The Waxxpot Group Distribution, LLC, The Waxxpot Group Marketing, LLC, The Waxxpot Group Trademark, LLC and The Waxxpot Group Technology, LLC. He is also the majority owner of The Waxxpot Group Holdings, LLC since its inception which is our parent. Mr. Sadd is currently a Board Member of Salon Lofts Group, LLC, having served in that capacity since 2016. All positions have been held in Columbus, Ohio area.

CAO/President Waxxpot Group Distribution, LLC: Robert Wharton

Mr. Wharton has served as our Executive President of The Waxxpot Group, LLC since February 2017. Since our inception in February 2020, Mr. Wharton has also served as our Executive President. Previously, Mr. Wharton served as Senior Critical Infrastructure Project Manager of Pyramid Consulting, Inc., from March 2016 until February 2017. All positions have been held in the Columbus, Ohio area.

Vice President of Accounting and Finance: Mark Bernstein

Mark Bernstein has served as our Executive Vice President, Finance, since our inception in February 2020. Mr. Bernstein has also served as Executive Vice President, Finance, of The Waxxpot Group, LLC since December 2019. He also served as a Consultant to The Waxxpot Group, LLC from November 2017 to December 2019. These positions are held in Columbus, Ohio. Previously, Mr. Bernstein served as Financial Controller with Senior Management Advisors from November 2016 to July 2019 based in Clearwater, Florida.

Executive Vice President, Store Operations: Deena Robinson

Deena Robinson has served as our Executive Vice President, Store Operations, since our inception in February 2020. Mrs. Robinson has also served as Executive Vice President, Store Operations, of The Waxxpot Group, LLC since January 2020. Mrs. Robinson also serves as Owner/Manager of Flyers DMC, LLC (our affiliate) from August 2018 until present. Previously, Mrs. Robinson was a Speech Language Pathologist with Independence Home Therapy from October 2014 until August 2018. All positions have been held in Columbus, Ohio.

Vice President, Marketing Operations: Sarah Alvarez

Sarah Alvarez has served as our Vice President, Marketing Operations, since June 2020. Mrs.

Alvarez also serves as Owner/Manager of S&D Georgia, LLC (our affiliate), from August 2017 to present in Atlanta, Georgia. Previously, Mrs. Alvarez was Director of Communications and part of the founding executive team at Cristo Rey Atlanta Jesuit High School, Atlanta, GA from July 2014 to June 2018.

ITEM 3: LITIGATION

Sean Stoner and Buckheel Investments, LLC v. Salon Lofts, LLC and Salon Lofts Franchising, LLC, (Civil Action 10-CVH-9-13904, filed September 22, 2010); AAA Case No. 52-114-00076-13. This lawsuit does not involve The Waxxpot Group Franchise, LLC, nor any of its affiliates. Our CEO, Daniel Sadd, was President of Salon Lofts, LLC at the time this lawsuit was filed. The suit involves a former franchisee of the Salon Lofts franchise system. Plaintiff filed a lawsuit in the Ohio Common Pleas Court alleging breach of contract, claiming certain aspects of their franchise agreement were not met, as well as a alleging plaintiff's employment agreement was breached claiming he was terminated without cause. In response to the breach of contract claim, Salon Lofts filed a timely Motion for Preliminary Injunction, which was subsequently granted on September 6, 2011. On January 13, 2014, the arbitrator found in favor of the Salon Lofts defendants. Both parties were required to split the administrative costs but no other award was made from Salon Lofts defendants to plaintiff. The plaintiff's remaining employment claim for termination without cause is still currently pending in the Ohio Common Pleas Court.

Other than the preceding action, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this Disclosure Document.

ITEM 5: INITIAL FEES

Waxxpot® Franchises

When you sign the Franchise Agreement, you will pay us a $39,900 initial franchise fee ("Initial Franchise Fee"). The Initial Franchise Fee is generally uniform for all franchisees and is nonrefundable upon payment. In our previous fiscal year, our initial franchise fees ranged from $0 - $39,900.

We also offer Veterans and current military personnel a discount of 20% from the initial franchise fee. A reduced initial fee may be offered to you if you agree to open additional franchise locations after the opening of your first franchise. The franchise fee is revenue to us and used as we deem appropriate. We may also discount the Initial Franchise Fee at our sole discretion.

In each case of a discount, any reduction only applies to franchise agreements that you enter into with us during the time we offer the discount, and it does not apply to Development Fees that are payable under an Area Development Agreement. We have the right to modify or terminate any discount or discount program at any time. In all cases, the Initial Franchise Fee is due in full via wire transfer when you sign the franchise agreement, and is deemed fully earned by us once paid and is non-refundable (unless you may have the right to cancel the franchise purchase under Ohio law within five business days after the date you sign the Franchise Agreement).

Company-owned and affiliate-owned Waxxpot® locations, do not pay an Initial Franchise Fee for the rights to operate.

We offer a $5,000 referral fee to franchisees who refer potential franchise purchasers to us who enter into a new franchise agreement.

While we strive to maintain a uniform Initial Franchise Fee to all franchisees, we reserve the right to revise the Initial Franchise Fee now and in the future for multi-unit development opportunities under the terms of Development Agreements. Further, we reserve the right to revise the Initial Franchise Fee in the future under the terms of any future Franchise Disclosure Document.

Soft Wax and Soothe Purchase

You must purchase your initial supply of our proprietary Soft Wax and Soothe from our affiliate, The Waxxpot Group Distribution, LLC. The Waxxpot Group Distribution, LLC is the only approved vendor for our proprietary Soft Wax and Soothe. Depending on your anticipated volume of business, the initial six-month supply of the Soft Wax and Soothe ranges from $6,000 to $12,000.

Review Fee for Construction Documents for a Non-Designated Architectural Vendor

If you choose to use a vendor other than our then-current designated architectural vendor (as described in Item 8 of this Disclosure Document), you will pay us $2,700 to review your Construction Documents.

Technology Fee

You will purchase Technology Hardware Costs and Licenses from approved vendors. In addition to computer hardware and software, you must pay us a Technology Fee of 1% of your Net Sales for the previous week. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month your franchise opens for business. The Technology Fee supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fee also supports research, plans and development of technology to improve processes. The technology fee for the first 3 months will be $325 per our minimum $25 per week structure.

Area Development Agreement

If you sign an Area Development Agreement, you agree to open a minimum of 3 locations. You must pay us 100% of the development fee for your first location in a lump sum via wire transfer when you sign the Area Development Agreement, plus an additional 50% of the development fee for each subsequent location in a lump sum via wire transfer when you sign the Area Development

Agreement. The remaining 50% development fee for each subsequent location will be paid when you sign each franchise agreement.

Our Area Development Agreement utilizes a pack system, where you must purchase the right to open and operate a set number of studios. You can purchase rights to open 3, 5, 10, or 20+ locations; there is no limit on the maximum number of locations you can commit to open under the Area Development Agreement. The Area Development fee you must pay us is as follows:

- 3 Locations - $37,000 each
- 5 Locations - $35,000 each
- 10 Locations - $30,000 each
- 20+ Locations - $20,000 each

We will insert the amount of this fee in the Area Development Agreement before you sign. The Area Development fee is non-refundable under any circumstances (unless you may have the right to cancel the franchise purchase under Ohio law within five business days after the date you sign the Franchise Agreement).

We retain the right to approve each potential Waxxpot® location proposed for development under the Area Development Agreement as well as the territory associated with each Waxxpot® location. In addition, for future-to-be-opened Waxxpot® locations, you, as a Developer, will be required to sign the then-existing franchise agreement which may differ materially from the franchise agreement attached to this Disclosure Document.

All of the fees in this Item 5 are non-refundable.

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ITEM 6: OTHER FEES

Type of Fee	Amount (Note 1)	Due Date	Remarks
Royalty Fee (Note 1, 2, 3, 4)	Greater of (a) the Minimum Royalty Fee ($100/week), or (b) 6% of Net Sales each week.	Weekly. Payable to us on Wednesday of each week for the prior week.	Net Sales means the aggregate of (1) all revenue from the sale of products and services, gift certificates, gift cards, series sales, memberships, cancellation fees and other sources of revenue minus credits for the redemption value of prepaid service(s) or products.
Branding Fee (Note 1, 2, 3, 4)	2% of your Net Sales each week.	Weekly. Payable to us on Wednesday of each week for the prior week.	Net Sales defined above.
Ongoing Purchases of Wax Products	Will vary under the circumstances.	Before shipment; payable to our affiliate, The Waxxpot Group Distribution, LLC.	The Waxxpot Group Distribution, LLC is the sole source of supply for soft wax that you will use in your franchise.

Technology Fee (Notes 1, 2, 3, 4, 5)	Currently 1% of your Net Sales each week. Our current policy is to charge you no more than $25 per week as the Technology Fee.	Weekly. Payable to us on Wednesday of each week for the prior week. Payments begin your first month of operations.	The Technology Fee supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fee also supports research, plans and development of technology to improve processes.
Computer System Maintenance Fee	$400 per month with an added 2-3% credit card processing fee.	Monthly.	Zenoti charges $4,800 annually and this fee will be split into monthly payments. This fee will cover the maintenance for the POS computer system.

Marketing Materials	Variable fee	When incurred	Marketing templates will be provided and final creative must be approved by us and/or purchased from an approved vendor/supplier. Approved vendors/suppliers may prescribe minimum service charges and/or amounts you must purchase.
Lease Negotiation Fee	$300 per hour.	Payable to us immediately after notice from us.	If we assist you in negotiating your lease or negotiating our required option to assume the lease, we may charge the fee.
New Product Approval Fee	$500 - $2,000 - to defray the cost of our review.	Payable to us immediately after notice from us.	When you request us to consider a new product or service or change from our specifications.
Annual Conference Fee (Note 6)	Currently $449 for early registration, increasing to $549 at the Conference payable to us. These fees are subject to change.	When you register to attend the Annual Conference.	You must pay this fee once a year, for one location, regardless of how many franchises you open, even if you do not register for our Annual Conference.

Initial Management Training Program	There is no fee for up to three individuals, inclusive of your Principal Owner and Principal Operator. If you wish to have more than three people attend this training, you must pay the then current fee, which is currently $2,500 per person, not including any travel costs.	Payable to us prior to training start date.	You are responsible for your reasonable travel expenses and reasonable costs of travel, lodging and meals.
Training for Each New Aesthetician (Note 7)	Currently no charge for aesthetician for in- store training during the first six months of operation, and $500 per day thereafter with no limit on attendees.	Payable to us prior to training start date.	You are responsible for the reasonable travel expenses of our training representative including the reasonable costs of travel, lodging and meals.
Renewal Fee	$5,000 to $7,500 per renewal payable to us.	$7500, reduced to $5,000 if we receive the fee, and all your signed renewal documents at least 90 days before the term of your Franchise Agreement expires.	You only pay this fee if you want to renew your franchise.
Transfer Fee - Franchise Agreement	$10,000 payable to us plus a new owner training fee not to exceed $2,500.	Before you sell or transfer the franchise.	You only pay this fee if you sell your franchise or your interest in it.

Transfer Fee – Development Agreement	$10,000, or any greater amount necessary to reimburse Us for our costs and expenses associated with reviewing the proposed Transfer.	Before you sell or transfer your development rights.	Only if you propose to sell or transfer your development rights and we consent to the proposed Transfer.
Relocation Fee and Relocation Service Fee (for periods when not open due to the relocation)	$2,500 payable to us plus our expenses for the Relocation Fee; plus $1,500 per month for each month your location is not open for business.	When you submit a request to relocate your franchise and each month your location is not open for business.	You are responsible for these fees upon relocation approval from us. If we do not approve your request, we will refund the fee.
Revenue Audit	Cost of audit	30 days after billing.	Payable to us only if audit shows an under-statement of at least 2% of Net Sales for any month.
Inspection Fee/Cost	You must pay all costs and expenses related to any re-inspection, inclusive of travel and lodging expenses and time charged at $300 per hour.	Payable to us immediately after notice from us.	We will conduct an inspection of your franchise on a periodic basis. You must pass the inspection as provided in the Operations Manual. If you fail inspection you must pay the cost of the follow-up inspection.

Additional On-site Operations Training (Note 8)	Currently, $500 per day plus all related travel expenses payable to us.	Immediately after notice from us.	You are responsible for the reasonable travel expenses of our training representative including the reasonable costs of travel, lodging and meals.
Insurance Acquisition Fees	Currently, the administrative charge is not to exceed 20% of the premium amount as reimbursement for our services in acquiring the insurance.	Immediately after notice from us	You only pay this fee to us if you fail to obtain insurance, and we obtain the insurance coverage for you. This fee does not include the cost of insurance premiums, for which you must also reimburse us.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your franchise.
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees, will vary under the circumstances.	Immediately after notice from us	You only pay this amount if we are successful in any legal action we bring against you, or in defending any claim you bring against us.
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law.	As incurred	Payable on all overdue amounts.

Late Report Fee	$100 per violation	As incurred	Payable only if a required report or financial statement is not delivered when due.
Insufficient Funds Fee	$100 each time that we are unable to collect via EFT due to insufficient funds.	As incurred	Payable only if funds are insufficient.
Architectural Vendor	$2,700/time to review Construction Documents only if you choose to use a vendor other than our designated architectural vendor for the creation of documents.	As incurred	Payable only if you choose to use a vendor other than our designated architectural vendor for the creation of your Construction documents.
Compliance Drawing	We will provide one Compliance Drawing per franchise agreement. If additional Compliance Drawings are needed, you will pay us $250 per Compliance Drawing.	As incurred	We will provide one Compliance Drawing per franchise agreement. We anticipate this Compliance Drawing will be sufficient to provide to an architectural vendor to create your Construction Documents. If additional Compliance Drawings are needed, you will pay us $250 per Compliance Drawing.

Exterior and Interior Design Vendor Fee	$1,500 to review Exterior and Interior Design Plans only if you choose to use a vendor other than our designated Design vendor for the creation of documents.	Payable upon submission	Payable only if you choose to use a vendor other than our designated Exterior and Interior Design vendor for the creation of your Exterior and Interior Design plans documents.
Site Selection Assistance	If we need to visit additional sites for prospective sites for your franchise beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out- of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, and meals.	As incurred	Only required if we must make more than one site visit.
Franchise Opening (i) without our approval or (ii) delayed opening	$2,500 if you open without our approval. If you fail to open within 12 months and we grant a stay of termination, you are required to pay us $3,500 per month until opened but no later than 4 months.	As incurred	These fees are imposed only if you open without our consent or delay opening after 12 months.

Remodeling Program (Note 9)	$0.25 per square foot per month.	Each month following official opening date.	These are funds that we recommend you set aside to remodel your location to current standards after 5 years. However, we have the right to require you to pay these amounts to us to hold for you.
Additional Training (Note 8)	Up to $500 per day plus all training related travel expenses.	Six to 12 months after your franchise opens and annually thereafter	We do not currently charge this fee, but reserve the right to begin doing so in the future.
Additional Email Addresses	$30 per month for each additional 3 email addresses and email mailboxes.	As incurred	Only if you request.
Liquidated Damages Upon Termination by you or us (if you fail to fulfill the entire term or we terminate you due to your default)	Varies based on remaining term of franchise agreement but no more than two years of lost future Royalties.	No later than 30 days after the early termination of your franchise.	Lost future Royalties calculated based on "Adjusted Remaining Term": (a) one-half (1/2) of the remaining term, or (b) two (2) years, whichever is less.
Collection Costs and Attorney Fees	Actual fees incurred.	As incurred	You must reimburse us for our expenses in enforcing or terminating the Agreements.

NOTES:

(1) We require you to pay fees and other amounts due to us via electronic funds transfer or other similar means. You must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to this Disclosure Document

or other form that we may require) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure, you authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported the Net Sales for your franchise to us for any reporting period, then we will be authorized, at our option, to debit your account for (a) 110% of the fees transferred from your account for the last reporting period for which a report of the Net Sales was provided to us; or (b) the amount due based on information retrieved from any approved Point of Sale System ("POS").

(2) All fees are payable to us, are uniformly imposed, and non-refundable.

(3) "Net Sales" means the aggregate of (1) all revenue from the sale of products and services, gift certificates, gift cards, series sales, memberships, cancellation fees and other sources of revenue whether made for cash, credit, debit, charge account, check, exchange, or other valuable consideration, regardless of where such sales originated from, and without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of your franchise minus credits for the redemption value of prepaid service(s) or products through, including but not limited to, membership programs, series of service purchases, packages, gift certificates and gift cards, (2) all monies, trade value (including the value of goods or services received from a barter exchange) or other things of value that you receive from your franchise operations at, in, or from the franchise premises that are not expressly excluded from Net Sales, and (3) business interruption insurance proceeds.

Net Sales does not include (1) monies received directly by your Aesthetician Specialists in the form of tips or gratuities, (2) the exchange of merchandise between Waxxpot® franchise locations (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the franchise premises, (3) returns to shippers, vendors, or manufacturers,, (4) sales of fixtures or furniture after being used in the conduct of the Franchised Business, (5) cash refunds, credit refunds, and other monetary allowances issued in good faith for transactions included within Net Sales (limited, however, to the selling price of the service and / or product returned by the purchaser and accepted by you), (6) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority by you. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or state income taxes we or our affiliates have to pay.

(4) If Wednesday is a banking holiday, the payment will be due on Thursday.

(5) You are required to pay a Technology Fee of 1% of your Net Sales for the previous week.

However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month your franchise opens for business. The Technology Fee supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fee also supports research, plans and development of technology to improve processes. Our company-owned locations contribute a Technology Fee at the same percentage rate as franchisees. We may increase the Technology Fee upon written notice to you.

(6) A person owning a 10% or greater interest in the franchisee-entity or your franchise ("Principal Owner"), is required to attend our Annual Conference each year. If you do not register for an Annual Conference, we will invoice you for the "early bird" minimum conference fee after the Conference.

(7) Each of your aestheticians must complete our initial aesthetician training program. We will provide aesthetician training before your operation begins. We do not charge a fee for this training. During the first six months after your franchise opens for business, we will also train an unlimited number of additional aestheticians at no additional cost. After that time, you must pay $500 per day thereafter, with no limit on attendees, to attend our aesthetician training program. At all times, you are responsible for all travel and living expenses your employees incur in attending training. You are also responsible for the reasonable travel expenses of our training representative including the reasonable costs of travel, lodging and meals.

(8) If you require additional training assistance, including additional on-site training, beyond what we provide, you can request that we send a representative to provide further assistance to you. If we agree to provide this additional assistance, we both must agree in advance to the charges you must pay and to the length of the visit. We may also require you to receive additional training if you are not meeting our requirements, at our sole determination, which may include additional pre-opening or post-opening assistance or, additional assistance to keep the franchise competitive or correct any deficiencies in your business. The current rate for this additional assistance is $500 per day for one representative, plus the reasonable cost of travel, lodging and meals. We reserve the right to adjust this rate periodically per notice in our Operations Manual.

(9) You are required to upgrade your Waxxpot® location between the fifth and sixth year after your official opening date. The actual costs you may incur will vary, depending on the condition of your Waxxpot® location, construction, and other costs in your market, and our requirements at that time.

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ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISE

Type of Expenditure (Note 1)	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Notes 1, 2, 14)	$39,900	$39,900	Lump sum at signing of Franchise Agreement	Upon signing the Franchise Agreement	Us
Travel and Living Expenses While Training (Notes 1,3, 14)	$1,400	$3,000	As incurred	As incurred during training	Airlines, hotels, meals and travel related expenses.
Real Estate and Leasehold Improvements (Notes 1, 4, 14)	$80,000	$150,000	As arranged	Before Opening	Landlord and building contractor
Security and Single Month Rent (Note 14)	$6,000	$18,000	As arranged	First month of Rent payable to Landlord upon opening	To Landlord
Architect/Design Fees (Notes 1, 5, 14)	$10,000	$14,000	As arranged	At time of architectural design	Architect or approved vendors
Exterior and Interior Design Fees (Note 1, 5, 14)	$5,000	$5,000	As arranged	At time of Exterior and Interior design	Designer or approved vendors
Furniture, Fixtures and Equipment (Notes 1, 6, 7, 14)	$25,000	$50,000	As arranged	Varied times	Approved vendors
Operating Supplies (store, office, treatment, etc.) (Notes 1,14)	$5,000	$8,000	As arranged	Varied times	Approved vendors
Review Fee for Construction Documents by a Vendor Other Than Our The-Current Designated Architectural	$0	$2,700	As arranged	Before opening	Us
Technology Hardware Cost and Licenses (Notes 1, 8, 14)	$12,000	$15,000	As arranged	Before opening and varied times after opening	Approved vendors
Technology Fee Low and High Amounts are for three (3) months of technology fees) (Note 8)	$325	$325	Lump sum	As incurred	Us

Signage (Notes 1, 9, 14)	$3,700	$17,000	As arranged	Before opening	Approved vendors
Initial Retail Product Inventory (Notes 1, 10, 14)	$3,000	$5,000	As arranged	At delivery	Approved vendors
Soft/Hard Wax (Notes 1, 14)	$6,000	$12,000	Lump sum	At delivery	Waxxpot Group Distribution, LLC
Grand Opening Advertising (Notes 1, 11, 14)	$20,000	$20,000	As arranged	Before opening	Approved vendors
Insurance (6 months) (Note 14)	$2,000	$4,000	As arranged	Varied times	Third parties
Misc. Expenses (Notes 1, 12, 14)	$7,000	$12,000	As incurred	Varied times	Third parties
Legal and Accounting (Note 14)	$3,000	$5,000	As arranged	Varied times	Third parties
Additional Funds and Working Capital for First 6 Months (Notes 13, 14)	$30,000	$90,000	As incurred	Varied times	Third parties
TOTAL (Notes 1, 14)	**$259,325**	**$470,925**			

NOTES:

(1) The high and low ranges in the table are based on the start-up costs of an average of our company-owned locations. These figures are estimates only. We have relied on our experience in opening five company-owned locations in Ohio and two company-owned locations in Texas to compile these estimates. We recommend that you have 4-6 waxing treatment rooms after one year of operation. Our estimates assume you will build-out your space for six rooms but, you initially order equipment, furniture and supplies for four treatment rooms. These fees are non-refundable unless otherwise noted.

(2) The Initial Franchise Fee is generally $39,900. However, we may discount the fee in certain specific circumstances in our sole discretion. Some of these discounts are tied to you signing an Area Development Agreement and committing to open two or more locations. We currently offer Veterans and current military personnel a discount of 20% from the initial franchise fee. Discounts are described in ITEM 5 also.

(3) The person you designate as the "Principal Operator" of your franchise must attend mandatory training at our corporate training center as designated by us (currently located in Columbus, Ohio), or at such place(s) as we designate. In addition, if your Principal Operator is not a Principal Owner, then a Principal Owner must also attend and complete this training to our satisfaction before you open your franchise. While we do not charge for this training, you must pay all travel and living expenses for your attendees. The estimates are the estimated costs for one person to attend the Initial Training Program for five days. As of the date of this Disclosure Document, we only require you to attend the Initial Training Program for five days. We may increase this requirement in our sole discretion.

We will also conduct initial training for each of your aestheticians at our offices or at a franchised Waxxpot® location in your region that we designate before you open for business. There is no fee for this training. During the first six months after your franchise opens, we will also train additional aestheticians at no additional cost. After six months of operation and thereafter, we will train additional people at a cost of $500 per day. At all times, you are responsible for all travel and living expenses your employees incur in attending training. You are also responsible for the reasonable travel expenses of our training representative including the reasonable costs of travel, lodging and meals.

(4) Construction and remodeling costs vary widely, depending upon the location, design, configuration and condition of the premises, the condition and configuration of existing services and facilities such as air conditioning, electrical and plumbing, and the terms of your lease. The figures in the chart include a general contractor's fee (generally equal to 10% to 15% of total construction costs), contractor's insurance, materials and supplies, tools, labor and subcontractor fees (including millwork), and other costs to construct leasehold improvements conforming to our standards, and includes the estimated costs of fixtures, permitting costs, and incorporating interior design elements. These figures do not take into account any tenant improvement allowance negotiated with landlord.

Our estimate for initial expenses for real estate and improvements assumes you will lease space for your franchise location. Locations are generally situated in commercial retail areas. The typical size of a Waxxpot® location ranges between 1,000 and 1,500 square feet. Our estimates are based on these assumptions: Rent for these locations will typically vary from $25 to $50 per square foot per year, not including CAM or tax expenses. Our low estimate assumes your location is 1,000 square feet and that you pay $80 per square foot for the buildout of your location. Our high estimate provides a "vanilla shell" or "as is" space for a 1,500 square foot location costing $120 per square foot for the buildout, which, at a minimum, includes rooms that will work as waxing treatment rooms, concrete floors, demised exterior walls, HVAC, roof, and utilities stubbed to the premises sufficient for your operation. Our estimate assumes you must only pay the first month rent and an additional month as a security deposit.

The amount of your leasehold improvements will likely vary substantially based on existing conditions, size, design, including the availability and prices of labor and materials. The amounts do not include the costs of any necessary site development or site engineering work, nor does the estimate include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment. In addition, these amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing location, which also would result in a significantly greater initial investment. Franchisee should carefully investigate all of these costs in the area where you desire to establish your Waxxpot® location. In addition, we assume the general contractor will include permitting fees in the construction costs.

If you receive a tenant improvement allowance from your landlord, the landlord may require you to show them that you paid for the leasehold improvements before giving you the money for tenant improvements.

You must obtain a Compliance Drawing (Waxxpot® layout/design for your franchise location) from us (a "Compliance Drawing").

We will provide one Compliance Drawing per franchise agreement. We anticipate this Compliance Drawing will be sufficient to provide to an architectural vendor to create your Construction Documents. If additional Compliance Drawings are needed, Franchisee will pay us $250 per Compliance Drawing. See ITEM 6.

(5) You will be required to retain an architectural vendor to create a complete set of detailed Construction Documents. We do not construct or remodel your premises. The low estimate assumes standard tenant improvements within a structure, designed for commercial use, and excludes items such as structural modifications, site work, energy studies, surveys and/or exterior improvements. The high estimate takes into account additional code studies, energy calculations and minor exterior building improvements. We have a designated architectural vendor who provides the Construction Documents. If you choose to use a vendor other than our designated architectural vendor for the creation of your Construction Documents, you will pay us $2,700 to review your Construction Documents. See ITEM 6. The Construction Documents supplied by the alternate service provider must provide the same level of information and detail as the prototypical Construction Documents created by our designated architectural vendor and use the same format, style and structure. The service provider will be responsible for distribution and coordination of documents to all designated vendors that utilize the Construction Documents as part of the development process. If this is your first location, we may require you to obtain your Construction Documents from our designated architectural vendor.

You will be required to retain an Exterior and Interior Design vendor to create a complete set of detailed Exterior and Interior Design documents. We do not decorate your premises. Our low estimate assumes your location is 1,000 square feet and our high estimate assumes your location is 2,000 square feet. We have a designated Exterior and Interior Design vendor who provides the Exterior and Interior Design Plans. If you choose to use a vendor other than our designated Exterior and Interior Design vendor for the creation of your Exterior and Interior Design plans, you will pay us $1,500 to review your Exterior and Interior Design plans. See ITEM 6. The Exterior and Interior Design Plans supplied by an alternate service provider must provide the same level of information and detail as the prototypical Exterior and Interior Design Plans created by our designated design vendor and use the same format, style and structure. The service provider will be responsible for distribution and coordination of documents to all designated vendors that utilize the Exterior and Interior Design Plans as part of the development process. If this is your first location, we may require you to obtain your Exterior and Interior Design Plans from our designated design vendor.

(6) We estimate the total cost of your furnishings and fixtures will range from $25,000 to $50,000. This includes the reception desk and furniture for your treatment rooms, lobby area and common areas, including a fabricated retail display. The low range assumes you obtain SBA financing and pay 30% down.

(7) Before beginning operations, you must purchase an assortment of office equipment and supplies as described in the Operations Manual, including intake forms, postcards, posters, and shopping bags.

This estimate also includes additional marketing materials, like branded promotional products, printed materials, large format indoor or outdoor signage for trade shows, and similar items, which you may purchase from us or affiliated vendors.

(8) The Technology Hardware Costs and Licenses estimate assumes you purchase all technology equipment, software licenses (for three months of operation). The technology equipment includes three computers, two iPads or similar tablets with credit card readers, a stand-alone credit card reader, a sound system, a security and surveillance system, and a printer. Software licenses include the POS system and optional marketing automation software. The total cost of equipment and initial software licenses for three months will likely be between $10,000 and $13,000, plus an additional 30% for installation, taxes and shipping.

In addition to BOOKER® computer hardware and software, you must pay us a Technology Fee of 1% of your Net Sales for the previous week. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month your franchise opens for business. The Technology Fee supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fee also supports research, plans and development of technology to improve processes.

Our company-owned locations pay the Technology Fee at the same percentage rate as franchisees. We may increase the Technology Fee upon written notice to you.

(9) This estimate assumes you purchase all of your signage. The total cost for the signage varies depending on the size of the signs, quantity, whether the signs are illuminated, and the requirements of the landlord and governing authority. We estimate the total cost to be between $3,700 and $17,000.

(10) Your initial inventory of body waxing supplies and retail products will include brow and other products for retail sale, wax, applicators, gloves, linens and other supplies and products as described in the Operations Manual. We have the right to change the inventory requirements at any time.

(11) The estimate also includes amounts we require you to spend on Grand Opening advertising as further described in ITEM 11. You must spend a minimum of $20,000 towards your Grand Opening Advertising. This amount must be fully spent within 45 days of your location opening. The marketing investment may include the costs for a local public relations firm, free services offered to prospective customers, digital marketing and advertising, billboard/signage advertising, magazine or newspaper advertising, and strategic partnerships. Factors that may affect the actual amount you spend include the type of media used, the location of your franchise, the size of the area you advertise in, local media cost, and the time of year.

(12) This amount includes utility costs, licensing fees, criminal background checks on all your initial employees, and professional expenses such as legal and accounting.

(13) This amount includes estimated operating expenses you should expect to incur during the first three months of operations, not including any revenue generated by your franchise. These figures do not include any taxes or other permitting or licensing fees that you may pay.

(14) These figures are estimates only. We have relied on our affiliate's experience in opening five company-owned locations in Ohio and one company-owned location in Texas to compile these estimates. You should review these figures carefully with a business and a legal advisor before making any decision to purchase a franchise. Many factors that are unique to your location can make a difference in the estimates provided. Except as specifically stated, we do not offer financing for any part of the initial investment. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, your relationship with local banks, your experience in the waxing industry, and any additional collateral you may offer to a lender to secure the loan. Our estimates do not include any finance charges, interest or debt service obligations.

Area Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT
FOR AREA DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Area Development Fee (Note 1, 2)	$74,000	Lump Sum paid upon execution	Upon Signing of Area Development Agreement	Us
Estimated Initial Investment From Table Above (Note 3)	$219,425 - $431,025	Varies	Varies	Varies
Professional Fees: Legal and Accounting	$1,500 to $5,000	As Incurred	Before Signing	Attorney, Accountant
TOTAL (Notes 1 and 4)	**$294,925 - $510,025**			

General Note: All figures in ITEM 7 are estimates only. Actual costs vary on a number of factors for each franchisee, developer and each location developed under an Area Development Agreement.

(1) This is an example of a three-store development agreement. See ITEM 5 of this Disclosure Document for additional information about the Initial Area Development Fee and Initial Franchise Fee. For instance, in addition to these fees, you must purchase your initial supply of our proprietary Soft Wax and Soother from our affiliate, The Waxxpot Group Distribution, LLC. These fees are not refundable.

(2) This Area Development Fee is an example of a three-store development. The fee breakdown would be $37,000 for each location, for a total of $111,000. Under the Area Development Agreement, 100% of the first location fee will be due upon signing the ADA, in addition to a 50%

fee for the remaining two locations; this ends with a total of $74,000 due upon signing.

Upon signing the franchise agreement for the second location, you will be required to pay $18,500 (50% of the development fee for the second location).; upon signing the franchise agreement for your third location, you will be required to pay the remaining $18,500.

(3) This is the estimated initial investment for one store location, minus the initial franchise fee.

(4) These figures are estimates only. The high and low ranges in the table are based on an example of two franchise locations under an Area Development Agreement.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to preserve and protect Waxxpot® brand integrity and consistency, the Waxxpot® franchise System and specifications require that your franchise purchase and/or lease goods and services to operate your franchise. We disclose many of these items in ITEM 7 above and in our confidential Operations Manual, which may be updated from time to time in our sole discretion. In addition, you must purchase additional services and supplies including inventory, retail space, furniture and fixtures, office equipment, signage, advertising, insurance, legal, accounting and other services and supplies.

You must purchase POS computer hardware and subscribe to a software booking system from our approved suppliers. See ITEM 11 for more information about computer hardware and software requirements.

We and our affiliates have invested a significant amount of time and resources to produce, market, and sell our proprietary Soft Wax and Soothe which is a point of differentiation from many of our competitors. As a result, our affiliate, The Waxxpot Group Distribution LLC is the only approved supplier for our proprietary Soft Wax and Soothe that you must use.

All equipment, furnishings, fixtures, signs, software, software support, supplies, insurance and products you purchase for use or sale in your franchise must meet our specifications. Those specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in our confidential Operations Manual.

We may require you to purchase certain furniture, equipment, inventory, supplies, services and other products used or offered at your franchise from suppliers we approve, in which case we will provide you with a list of approved suppliers. These will include mandatory suppliers (persons from whom you must purchase certain items or services), designated suppliers (for items or services that must be purchased from vendors we approve), and preferred suppliers (for suppliers we have approved, but in categories where we do not require you to obtain our approval of the supplier). These suppliers may pay rebates to us.

We also may establish mandatory, designated or preferred suppliers (which may be affiliated with us) for (1) franchise fixtures, furniture, equipment, items of decor, (2) graphic design services, (3) advertising, point-of-purchase materials and other' printed promotional materials and promotional products, (4) gift certificates and gift cards, (5) stationery, business cards, contracts, and forms, (6) bags, packaging, and

supplies bearing our Marks, (7) uniforms, aprons and t-shirts, (8) public relations and advertising services, (9) software and software support, (10) insurance and other suppliers. We reserve the right to add or substitute mandatory, designated or approved suppliers at any time, with or without notice.

If you propose to purchase from an unapproved source any items or service for which we have identified designated or approved supplier(s), you must request our approval. The purpose of these requirements is to establish quality control standards for the items used in the operation of your franchise and to protect, maintain and promote the product consistency, reputation, goodwill and public acceptance of our service marks, trademarks and products. We may require, as a condition of granting approval that our representatives be permitted to inspect the supplier's facilities, and that such information, specifications, and samples as we reasonably require be delivered to us or to an independent, certified laboratory for testing. We may charge a fee for testing, which will not exceed the reasonable cost of the inspection and the actual cost of the test. We will notify you within 120 days of your request as to whether you are authorized to purchase such products from that supplier. We may also require that the supplier sign an intellectual property agreement transferring the copyright in any products they create incorporating our intellectual property to us as a "work-made-for-hire". If we agree to evaluate a supplier, we will provide you or the supplier with our specifications and standards and our criteria for supplier approval.

While we do not have specifications for local advertising to promote your franchise, we require that you obtain our prior approval to use any advertising materials you prepare, and before establishing or having established any website, web page, social media and/or social networking site, profile or account, relating to or making reference to us, your franchise, or to the Waxxpot® System.

We may also negotiate preferred vendor contracts with suppliers. The preferred supplier contracts will usually provide favorable pricing to franchisees. A list of current preferred vendor contracts will be available to you from us at any time after you sign your Franchise Agreement.

In the future, we or our affiliates may derive revenue from your purchases or leases of goods, services, supplies, fixtures, equipment, inventory and products from our mandatory, designated or preferred supplies. These rebates will generally range from 5% - 20% of the purchases you make from the vendor. There are also some vendors that may pay us a fixed rebate on supplies and services.

In the fiscal year ending 2021, our affiliate The Waxxpot Distribution Company LLC collected $18,516.49 in revenue from required franchisee purchases, with a total of $195,608.80 in revenue collected for the year. Our affiliate The Waxxpot Group Marketing, LLC collected $512.32 in revenue from required franchisee purchases, with a total of $113,573.16 in revenue collected for the year.

There are no caps or limitations on the maximum amount of rebates we may receive from our suppliers as the result of your purchases.

As described above, we have the right to designate a single source or sources from whom you must purchase any required products and services, and we and/or our affiliates may be that single source or one or more of the sources. Except as described above, as of the issuance date of this Disclosure Document, neither we

nor our affiliate(s) are the only approved suppliers of any required products and services, other than our proprietary Soft Wax and Soothe.

As of the issuance date of this Disclosure Document, we have one mandatory vendor:

- The Waxxpot Group Distribution, LLC is the sole supplier of our proprietary Soft Wax and Soothe that you will use in your franchise. The Waxxpot Group Distribution, LLC is a wholly-owned subsidiary of our parent, The Waxxpot Group Holdings, LLC. Daniel Sadd, our Chairman and Chief Executive Officer, is the majority owner of The Waxxpot Group Holdings, LLC. The Waxxpot Group Distribution, LLC marks up the products it sells to our franchisees by approximately 20% to 100% of its direct cost for such products.

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from your purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers and distributors.

None of our officers own any interest in any of our other suppliers, other than mentioned above.

We have designated CG2M Studios as the approved architect to provide architectural services to our franchisees and may approve others from time-to-time. CG2M Studios will manage the account for all franchisees and the company can be contacted at the following site http://cg2mstudios.com. You must contract directly with our designated architect or another architect approved by us for your Franchise. We estimate your costs for using our designated architect will range from $10,000 to $14,000. Services provided will be general architecture services, including space planning, interior design, and architectural design. If you choose to use a vendor other than CG2M Studios (or our then-current designated architectural vendor) for the creation of your Construction Documents, you will pay us $2,700 to review your Construction Documents. We will approve or disapprove the proposed vendor within 45 days of your request. The Construction Documents supplied by an alternate service provider must provide the same level of information and detail as the prototypical Construction Documents created by our designated architectural vendor and use the same format, style and structure. The service provider will be responsible for distribution and coordination of documents to all designated vendors that utilize the Construction Documents as part of the development process. If this is your first location, we may require you to obtain your Construction Documents from our designated architectural vendor. CG2M has no common ownership with us, and we do not receive rebates from CG2M from franchisee required purchases.

These plans might not reflect the requirements of any federal, state, or local law, code or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for your franchise location and make sure they comply with applicable laws and ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final plans and specifications before you begin constructing your franchise location and all revised or "as built" plans and specifications during construction. Our approval of final plans should not be

viewed as confirmation that the plans comply with applicable laws and ordinances, building codes, permit requirements, and lease requirements and restrictions. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment (including a point-of-sale, cash register system), decor, and signs from our approved third-party suppliers.

We have designated Moorehead Design as the approved designer to provide exterior and interior design services to our franchisees and may approve others from time-to-time. Moorehead Design will manage the account for all franchisees and the company can be contacted via the contact details provided in the Operations Manual. You must contract directly with our designated designer or another designer approved by us for your Franchise. We estimate your costs for using our designated designer will be about $5,000. 614-Services provided will be general designer services, including, but not limited to, exterior and interior design plans, exterior and interior signage design and placement, interior furniture and fixture selection and placement and other elements that enhance the customer experience. If you choose to use a vendor other than Moorehead Design (or our then-current designated design vendor) for the creation of your Exterior and Interior Design Plans, you will pay us $1,500 to review your Exterior and Interior Design Plans. See ITEMS 6 and 7. We will approve or disapprove the proposed vendor within 45 days of your request. The Exterior and Interior Design Plans supplied by an alternate service provider must provide the same level of information and detail as the prototypical Exterior and Interior Design Plans created by our designated design vendor and use the same format, style and structure. The service provider will be responsible for distribution and coordination of documents to all designated vendors that utilize the Exterior and Interior Design Plans as part of the development process. If this is your first location, we may require you to obtain your Exterior and Interior Design Plans from our designated design vendor.

You must construct, equip, and improve your franchise location in compliance with our current design standards and trade dress. We or our designee, will give you mandatory and suggested specifications and layouts for your Franchise, including requirements for dimensions, designs, images, interior layout, decor, and color scheme.

Insurance

You must obtain and maintain insurance policies protecting you, and us as additional insured, on a primary non-contributory basis. The additional insured should be listed on the certificate as follows: The Waxxpot Group Franchising, LLC, and its officers, managers, members, partners, shareholders, regional directors, subsidiaries and affiliates, agents and employees; and it must be provided on an Additional Insured Grantor of Franchise Endorsement (or an endorsement form with comparable wording acceptable to us). The policy must contain a waiver of all subrogation rights against us, our affiliates, and their successors and assigns, and must provide for 60 days' prior written notice to us of any material modifications, cancellations, or expirations. All insurance policies required under this Insurance Section shall be written by an insurance company licensed in the state in which you operate and having at least an “A” Rating Classification as indicated in the latest issue of A.M. Best’s Key Rating Guide. Although A.M. Best groups “A” and “A-” in the same classification, Franchisor requires an “A” rating.

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

Types of Coverage*	**Minimum Requirements***

Comprehensive General Liability/Product Liability	$1,000,000 per occurrence/$2,000,000 in the aggregate.
Private Label Goods	$1,000,000/$2,000,000 and Specifically Listed on Certificate of Insurance.
Automobile Liability Insurance (Hired/Non-Owned Auto)	$1,000,000.
Umbrella (Covering Underlying Employers Liability)	$1,000,000 per occurrence/$1,000,000 in the aggregate.
Professional Liability	$1,000,000 per occurrence/$1,000,000 in the aggregate.
Abuse & Misconduct	$1,000,000 Franchisor and Landlord identified as Additional Insureds.
Cyber Liability/Data Breach	$100,000 limit. Franchisor and Landlord identified as Additional Insureds.
Employment Practices Liability Insurance (EPLI)	$100,000 ($100,000 wage/hour sublimit).
Crime/Employee Dishonesty	$10,000.
Property/Business Income/Tenants Betterments and Improvements	$150,000.
Workers' Compensation	Minimum $100,000 (or higher if your state law requires).
Contractual Indemnity/Liability	Franchisor and Landlord Identified as Additional Insureds.
Business Income & Extra Expense	Actual Loss Sustained Coverage for a Minimum of One Year.

Note: These are minimum requirements provided by us based on our experiences and shall in no way be deemed a representation or guaranty that these minimum insurance requirements are sufficient to fully protect you and your representatives from any cause or event that may occur in operating the franchise. You should consult with an insurance professional to discuss your insurance needs on an ongoing basis during the Term.

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

coverage requirements which may include an increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant. We may periodically increase the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases
We estimate that approximately 90% of your total cost in establishing your franchise will go toward purchasing products that meet our specifications. Once you open your franchise, we estimate that approximately 10% to 20% of your expenditures on an ongoing basis will be for goods that must be purchased from us or The Waxxpot Group Distribution, LLC. We estimate that substantially all of your expenditures for leases and purchases in establishing your franchised business and approximately 20% to 50% of your total annual operating expenses on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

FRANCHISE AGREEMENT

	Obligation	Section in the Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	1.2, 1.3, 5.2, 6.2, 6.3	ITEMS 11, 12
b.	Pre-opening purchases/leases	5.2, 6.1, 6.2, 6.3, 7.6, 7.11	ITEMS 7, 8, 11
c.	Site development and other pre-opening requirements	1, 5.2, 6.1, 6.2	ITEMS 7, 8, 11
d.	Initial and ongoing training	5.4, 5.5, 5.6	ITEMS 6, 7, 11
e.	Opening	4.5, 6, 7, 9.3 (C)&(D)	ITEM 11
f.	Fees	4	ITEMS 5, 6, 7, 8, 11

g.	Compliance with standards and policies/operating manual	6.4, 7.1, 7.2, 7.7, 8.2, 8.4,	ITEMS 6, 7, 8, 11, 16
h.	Trademarks and proprietary information	3	ITEMS 13, 14
i.	Restrictions on products/services requirements	5.3, 7.4, 7.5	ITEMS 8, 11, 16
j.	Warranty and customer service requirements	7.7(B)	ITEM 16
k.	Territorial development and sales quotas	1.2, 1.3	ITEM 12
l.	Ongoing product/service purchases	5.3, 5.10, 5.11, 7.4, 7.5	ITEMS 6, 8, 11
m.	Maintenance, appearance and remodeling requirements	5.8, 5.13, 6.4, 7.7A, 7.7B, 7.7D	ITEM 6
n.	Insurance	7.6	ITEMS 7, 8
o.	Advertising	4.3, 4.5, 5.3, 5.7, 7.9	ITEMS 6, 11
p.	Indemnification	7.10, 13	ITEM 6
q.	Owner's participation/management / staffing	7.7A, 7.7E	ITEM 15
r.	Records/reports	4	ITEM 11
s.	Inspections/audits	3.4, 4.9, 5.13, 7.3, 9.4, 10.4	ITEMS 6, 11, 13
t.	Transfer	7.15, 11	ITEMS 6, 17
u.	Renewal	2.2	ITEM 17
v.	Post-termination obligations	10, 12.2	ITEM 17

w.	Non-competition covenants	7.8, 8.5, 12	ITEM 17
x.	Dispute resolution	19.1, 19.2, 19.3	ITEM 17

AREA DEVELOPMENT AGREEMENT

	Obligation	Section in the Development Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	3	ITEMS 11, 12
b.	Pre-opening purchase/leases	3.6	ITEMS 7, 8, 11
c.	Site development and other pre- opening requirements	2, 3	ITEMS 7, 8, 11
d.	Initial and ongoing training	5	ITEMS 6, 7, 11
e.	Opening (Development Schedule)	3	ITEM 11
f.	Fees	1, 4	ITEMS 5, 6, 7, 8, 11
g.	Compliance with standards and policies/operating	7.3, 10.2	ITEMS 6, 7, 8, 11, 16
h.	Trademarks and proprietary information	1, 3.6, 3.7, 6.	ITEMS 13, 14
i.	Restrictions on products/services	Not Applicable	ITEMS 8, 11, 16

j.	Warranty and customer service requirements	Not Applicable	ITEM 16
k.	Territorial development and sales quotas	2, 3	ITEM 12
l.	Ongoing product/service purchases	Not Applicable	ITEMS 6, 8, 11
m.	Maintenance, appearance and remodeling requirements	Not Applicable	ITEM 6
n.	Insurance	11	ITEMS 7, 8
o.	Advertising	Not Applicable	ITEMS 6, 11
p.	Indemnification	12	ITEM 6
q.	Owner's participation	5	ITEM 15
r.	Records/reports	Not Applicable	ITEM 11
s.	Inspections/audits	Not Applicable	ITEMS 6, 11, 13
t.	Transfer	8	ITEMS 6, 17
u.	Renewal	None	ITEM 17
v.	Post-termination obligations	2.5, 6.6, 7.4(C)(iii), 10.4	ITEM 17
w.	Non-competition covenants	7.4(C)	ITEM 17
x.	Dispute resolution	18.2, 18.3	ITEM 17

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, 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 franchise, we will:

(1) Designate your development Territory, if you enter into an Area Development Agreement (Area Development Agreement – Section 2.1).

(2) Establish your Designated Area for your Franchise Unit's location (Franchise Agreement – Section 1.2). We will grant you a Site Selection Area in which you may locate your franchise, and we will approve or refuse to approve the specific franchise site within 30 days of receiving all requested information. We may still provide you with certain site selection assistance as we deem appropriate and also visit one proposed site for your franchise at no extra cost. If we need to visit additional sites for prospective sites for your franchise beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, and meals. (Franchise Agreement – Section 5.2). Neither we, nor any of our employees, have expertise in selecting site locations, and accordingly, we make no representations that your franchise location will perform successfully or be profitable by being located at a specific location.

While we will assist you, we do not locate or select a site for you, or negotiate the purchase or lease of a site, and we do not own the premises and lease them to you. Before you acquire any site, you must submit information and materials we require and obtain our approval for your site. The factors we take into account in approving a site are the visibility of the site, the retail feel of the site, the location of competitors, whether the site is easily accessible and similar factors. The location should have at least 1,000 square feet, but we recommend having 1,400 to 2,000 square feet, with a minimum of four waxing treatment rooms and up to six waxing treatment rooms. We will generally tell you within 30 days whether or not we approve your proposed site. If we are unable to agree on a site for your franchise, the opening of your franchise may be delayed.

(3) Review your lease or purchase agreement for your franchise location. Our review of your lease or purchase agreement does not constitute legal advice and our review is only for the purpose of validating that the lease complies with the Franchise Agreement. For legal advice, you must solely rely upon the advice of your attorney. (Franchise Agreement – Section 6.2) We do not generally own the premises to lease to franchisees.

(4) Provide you with a prototype floor plan, for setting up or remodeling your franchise (Franchise Agreement – Section 5.13). We do not provide assistance with conforming the premises to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises.

(5) Create a specific Waxxpot® layout/design for your franchise (a "Compliance Drawing") (Franchise

Agreement – Section 5.13). If, however, you want to make changes in the Compliance Drawing, you will have to pay the vendor directly for the cost of those changes.

(6) We, or our affiliates or suppliers, will provide you with a list that describes or shows the standards for the fixtures and equipment that you must install in your franchise location. We do not provide fixtures or equipment directly, nor do we deliver or install any fixture or equipment in your location, but we may require you to contract with a designated third-party vendor who provides you with and installs fixtures and equipment for your location. (Franchise Agreement – Section 5.3)

(7) We will also provide you and your general contractor information about the sequence of events and procedures that must be followed in building out and equipping your location. (Franchise Agreement – Section 5.13)

(8) We reserve the right to conduct on-site inspections during the construction of your location as we deem appropriate, and we reserve the right to require you to pay or reimburse us, or our designated vendor, our out-of-pocket expenses that we incur in conducting such on-site inspections, including costs of transportation, lodging, and meals. (Franchise Agreement – Section 5.13)

(9) We will loan you one copy of our confidential Operations Manual (the "Operations Manual"). The Table of Contents of our Confidential Operations Manual is attached to this Disclosure Document as EXHIBIT D. Our Manual currently contains approximately 149 pages. The Operations Manual contains mandatory and suggested specifications, standards and procedures. The Operations Manual consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically in our discretion. (Franchise Agreement – Section 8).

(10) Provide, at our expense, the Initial Management Training Program for you, or if Franchisee is a legal or business entity, a Principal Owner and two additional persons (the Principal Operator plus one additional person) lasting up to five days in Columbus, Ohio or at another location designated by us. You are expected to attend this training program at least 60 days before you open your location. If you purchase an existing Waxxpot® location or convert an existing business to a Waxxpot® branded location, you are required to attend training within 30 days after you sign the Franchise Agreement. You will be responsible for all travel expenses for all participants attending the Initial Training Program, including airfare, lodging, meals, ground transportation and personal expenses. In addition, we will provide an Aesthetician Training Program, described below. (Franchise Agreement – Section 5.4)

(15) Provide the Initial Aesthetician Training Program. Our representatives will assist your Principal Operator in training your aestheticians with respect to our operating procedures, standards, and styles, at your franchise location for a period of up to five days. Your aesthetician(s) are expected to attend this training program before you open your location. We will not charge you for this training or any training sessions provided before opening or during the first six months after your location opens. After six months of operation and thereafter, we will train additional people at a cost of $500 per day, plus all related travel expenses for our representative, for an unlimited number of aestheticians that you ask us to train. (Franchise Agreement – Section 5.4).

(1) Provide digital templates to you for a variety of materials to operate and promote your franchise, including business cards, thank you notes, Waxxpot® intake forms and appointment reminder cards, and other start-up materials as described in the Operations Manual (Franchise Agreement – Sections 5.3 and 5.4)

(2) Provide you with a list of our approved suppliers for the Waxxpot® Design Package, which includes the components you will need to build out your location (Franchise Agreement – Section 5.13)

You may not open your location until: (1) We notify you in writing that all of your pre- opening obligations have been fulfilled; (2) initial training is completed to our satisfaction; (3) all amounts due to us have been paid; (4) We have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) You notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (6) You have received all required permits and licenses; and (7) You have ordered, received and installed your equipment, supplies, inventory and computer system. You must be prepared to begin operating your location immediately after we indicated that your location is ready for opening. If you open your location prior to obtaining our consent, you will be charged a fee of $2,500.

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your location will be 6 to 12 months. Some factors which may affect this timing are your ability to acquire a location through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, your ability to obtain any necessary permits and certifications, the timing of the delivery of equipment, tools and inventory and the time to convert, renovate or build the facility. You must open your location on or before the Projected Opening Date on the Rider to the Franchise Agreement, but in no event more than 12 months from the date the Franchise Agreement becomes effective. Your failure to open your location on or before the Projected Opening Date will constitute a default of your Franchise Agreement and allow us to terminate your Franchise Agreement. (Franchise Agreement – Section 9.3(D))

Computers, Point of Sale, and Telephone Systems

You must acquire and use our required POS and equipment ("Computer System"), and adhere to our requirements for use. (Franchise Agreement – Section 7.11) Requirements may include, among other things, connection to remote servers, privacy/security hardware or software, off-site electronic repositories, and high-speed Internet connections. As technology or software is developed in the future, we may require you to add to your Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your Computer System and software. You must acquire, install and maintain all anti- virus and anti-spyware software, security programs, and other security measures that we require, and must adopt and implement Internet user policies that we require to avoid, block and eliminate viruses and other conditions that interfere with operation of the Computer System.

You must purchase, license and use all designated and/or proprietary software programs, cloud managed networks, system documentation manuals, hardware, and other proprietary materials that we require, and input and maintain in your computer such data and information as we prescribe in the Manuals, such as storing customer, pricing, and membership information, amongst other data. You must purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all associated fees.

We estimate the cost of purchasing required computer hardware will range from $6,000 to $8,000. The initial installation of BOOKER® computer hardware is approximately $2,500, which covers your initial access to

BOOKER® online scheduling and business management software. Thereafter, you must pay directly to BOOKER® (or ours/any other software provider we designate) a monthly license fee. Currently, the monthly license fee for BOOKER® is approximately $280 per month (which may be adjusted annually). Although we currently use the BOOKER® system, we may change to an alternative provider or develop a proprietary system. In addition to BOOKER® computer hardware and software, you must pay us a Technology Fee of 1% of your Net Sales for the previous week. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month after your access to the Waxxpot® extranet and email hosting is activated before your franchise opens for business. The annual cost to maintain the computer hardware is estimated to be around $4,800.

The Technology Fund supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fund also supports research, plans and development of technology to improve processes.

Our company-owned locations contribute to the Technology Fund at the same percentage rate as franchisees. Our affiliate-owned locations do not contribute to the Technology Fund.

We may increase the Technology Fee upon written notice to you. The Technology Fee is maintained in separate cash accounts, with corresponding separate liabilities on the Company's books until expended. We reserve the right to transfer Technology Fees paid to us to our affiliate, The Waxxpot Group Technology, LLC for accounting and segregation of funds purposes.

We will have the right to independently access all information and financial data recorded by the system for daily polling, audit and sales verification, and database development. There are no contractual limitations to our right to access the information and data recorded by your system. We will require you to install and maintain a hardware and software firewall device on your Computer System that follows closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the http://www.pcisecuritystandards.org.

You must have sufficient computer skills to be able to operate your computer system, including mobile applications, and to access e-mail, SMS or text messages, and the Internet. You must have access to the Internet and maintain an email account, that we designate, that allows us to communicate with you on a regular basis. You will use your computer and mobile applications for appointment scheduling, customer management, point-of-sale transactions, employee management and education, eCommerce, inventory management, business and payroll reporting, marketing, and social media integration. Our software will also give you access to the Waxxpot® Extranet offering franchisee support, education and communications.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and Extranet system. You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems. We strongly recommend that your computer system be used for business purposes only, and not for entertainment, personal social networking site access, or other matters unrelated to your business.

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

You may order internet service from your local internet service provider (ISP). We currently require you to obtain internet service with download speed of 50mb and upload speed of 10mb. We may increase these requirements at our sole discretion.

During the term of the Franchise Agreement

We will:

(1) Make a representative reasonably available to speak with you on the telephone, or at our option, on Waxxpot® internet-based, online training session during normal business hours to discuss your operational issues and support needs. (Franchise Agreement – Section 5.6)

(2) Establish and maintain a location page on the Waxxpot® website for your franchise. (Franchise Agreement – Section 5.12)

(3) Make available additional and ongoing training that we feel is necessary to familiarize you, your management team and employees on changes and updates in the franchise system (Franchise Agreement – Section 5.5) and additional training for new aestheticians. (Franchise Agreement – Section 5.4)

(4) Maintain and administer the Branding Fund. (Franchise Agreement – Section 4.3) We reserve the right to transfer Branding Fund fees paid to us to our affiliate, The Waxxpot Group Marketing, LLC for accounting and segregation of funds purposes.

(5) Maintain and administer the Technology Fee. (Franchise Agreement – Section 4.4) We reserve the right to transfer Technology Fees paid to us to our affiliate, The Waxxpot Group Technology, LLC for accounting and segregation of funds purposes.

(6) Provide general assistance from time to time when requested prior in writing, including, but not limited to, assistance with developing products or services, hiring employees, improving your franchised business, establishing prices, and establishing and using administrative, bookkeeping, accounting, and inventory control procedures. We may, but are not obligated under the franchise agreement, to provide the preceding assistance.

Training

Initial Management Training Program

Within a reasonable time after you sign a Lease for your location, and generally no later than ten weeks before the opening of your Franchise, we will admit up to three individuals to our Initial Management Training Program, including your Principal Owner and Principal Operator. (Franchise Agreement – Section 5.4) If you wish to have more than three people attend this training, you must pay the then current fee, which is currently $2,500 per person, not including any travel costs.

There is no charge to you, for up to three individuals, for this training, but you are responsible for all travel and living expenses that you and your employees incur by attending the training. The Principal Operator of your business must attend and complete this training program to our satisfaction before you open your location. Our training is held approximately monthly.

The Initial Management Training Program and Initial Aesthetician Training Program will be conducted by or under the executive supervision of the following individual: (i) Robert Wharton, our Chief Administrative Officer, who has four years of experience with us and four years of experience in the industry.

Any replacement Principal Operator must satisfactorily complete our then-current initial training program.

We may also provide, and may require your Principal Operator to attend and successfully complete each year, up to four days of additional training. This additional training may be held at our headquarters or other place that we designate. It may include remedial and refresher courses, as well as instruction in new hair removal techniques, the use of new products, and our Standards and policies. We may charge a fee or tuition of approximately $500 per day for our training representative to provide this additional training and you are responsible for all training-related expenses, including travel, lodging, and dining expenses for these individuals and wages and salaries payable during training. Although only your Principal Operator is required to attend and complete such additional training, we will permit one additional employee to attend training with your Principal Operator, at no additional cost to you. You are responsible for the reasonable travel expenses of our training representative including the reasonable costs of travel, lodging and meals. Notwithstanding this paragraph, no fees will be charged for any training required within your first 6 months of operations.

The following represents a summary of our Initial Management Training Program as of the issuance date of this Disclosure Document:

INITIAL MANAGEMENT TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours Of On-The- Job Training	Location
History / Our Mission Statement	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Use of Confidential Operations Manual	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Tour of Waxxpot® Location	1	1	Columbus, Ohio or another location that we designate

Creating the Waxxpot® Culture	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Services Provided to Franchisees	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Responsibilities of Franchisees	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Paying Other Fees	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Pre-Opening Procedures	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Grand Opening	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Potential Recruiting Channels	3	3	Columbus, Ohio, Austin, TX, or another location that we designate
Training New Employees	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Suggested Hours of Operation	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Suggested Daily Procedures - Including Opening, Closing and On-going Tasks	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Customer Service Procedures	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Setting Appointments	2	2	Columbus, Ohio, Austin, TX, or another location that we designate

Waxxpot® Menu Offerings	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Service Protocols	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Selling Retail Products	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Membership Programs and Gift Cards	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Using Booker®	5	5	Columbus, Ohio, Austin, TX, or another location that we designate
Transacting Sales	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Generating Necessary Reports	2	2	Columbus, Ohio, Austin, TX, or another location that we designate
Suggested Cash Management Procedures	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Franchise Reporting	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Inventory Management	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Cleaning and Maintenance of Your Franchise	1	1	Columbus, Ohio, Austin, TX, or another location that we designate
Business Asset Preservation	1	1	Columbus, Ohio, Austin, TX, or another location that we designate

Marketing and Advertising	4	4	Columbus, Ohio, Austin, TX, or another location that we designate
Legal / Strategic Planning	4	4	Columbus, Ohio, Austin, TX, or another location that we designate
Total Training Time	**55**	**55**	

The Initial Management Training Program will be led by Deena Robinson. Deena Robinson is our Vice President of Store Operations, serving in this capacity since our inception. Deena has over 5 years of leadership and training experience with both us, and our affiliates.

Other members of our staff may conduct training as necessary; these other members will have at least 3 days of training by Waxxpot prior to running any training sessions.

The Confidential Operations Manual serves as our primary instructional material during the Initial Management Training Program.

If you establish more than one franchise operation with us, we may, at our option, provide this training one time for multiple agreements. While the majority of the Initial Management Training Program will be classroom training, you will have an option to receive additional training by working in one of our locations for up to two days.

Initial Aesthetician Training Program

In addition to the Initial Management Training Program, we provide an "Initial Aesthetician Training Program." (Franchise Agreement – Section 5.4)

Before the opening of your location, all aestheticians that you employ must attend and complete, to our satisfaction, our 5-day Initial Aesthetician Training Program and obtain our certification. We will train any additional aestheticians you wish to participate at the same time at your location or at another location we designate in your region, at no charge to you. You are responsible for the travel and living expenses of all individuals who attend this training. During the first six months after your location opens, we will train additional aestheticians at no additional cost. After that time, you must pay $500 per day for Initial Aesthetician Training.

You are responsible for the cost of all reasonable travel related expenses of our training staff including reasonable travel, lodging, and dining expenses for these individuals.

The following represents a summary of our Initial Aesthetician Training Program as of the issuance date of this Disclosure Document:

INITIAL AESTHETICIAN TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours Of On-The- Job Training	Location
History / Our Mission Statement	2	2	Your location or at another location we designate in your region
Creating the Waxxpot® Culture	2	2	Your location or at another location we designate in your region
Services Provided to Guests	2	2	Your location or at another location we designate in your region
Waxxpot® Menu Offerings	1	1	Your location or at another location we designate in your region
Service Protocols	10	10	Your location or at another location we designate in your region
Hands-on Wax and Waxing Training	13	13	Your location or at another location we designate in your region
Example Day	10	10	Your location or at another location we designate in your region
Total Training Time	40	40	

Robert Wharton, our Chief Administrative Officer, will oversee this portion of the training program as well when it is held at your location or at another location we designate in your region based on our sole discretion. However, one of our Aestheticians will conduct the direct Aesthetician training

Other members of our training team, at a Designated Training Center may conduct training as necessary. The Confidential Operations Manual and other manuals serve as our primary instructional material during the Initial Aesthetician Training Program.

Additional Customer Experience / Operations Training

If you require additional customer experience/operations training beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we provide additional assistance at your request, we both must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you desire. We may also require you to receive additional assistance if you are not meeting our requirements, if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required, or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive. Such additional assistance will be at your expense as described above. The current published rate for additional assistance is $500 per day, per our representative, plus the cost of travel, lodging and meals, but we reserve the right to adjust that rate periodically in the Confidential Operations Manual.

Annual Conference

We may hold an annual conference to discuss sales techniques, new services and products, training techniques, bookkeeping, accounting, performance standards, advertising programs, merchandising procedures, aesthetician training, and other topics. You must pay the conference fee, if any (currently $449, based on early registration), and all travel and living expenses to attend. We require a Principal Owner to attend these annual conferences. If that person does not attend, you will be billed for the "early bird" Conference Fee following the Conference. The conferences will be held at various locations that we will designate. (Franchise Agreement - Section 8.F).

Advertising Programs

Branding Fund

Under the franchise agreement, you and each franchisee must contribute amounts to the Waxxpot® Branding Fund (the "**Branding Fund**" or the "**Fund**") currently equal to 2% of weekly Net Sales. You must contribute to this Fund at the same time that you pay your Royalty Fee, based on the amount of Net Sales you generate in the previous reporting period. We require all franchisees to contribute to this fund. Our company-owned locations contribute to the Branding Fund at the same percentage rate as franchisees. (Franchise Agreement – Section 4.3)

We may periodically increase the Branding Fund Contribution; provided that the Branding Fund Contribution will not exceed 3% of weekly Net Sales.

We account for the contributions to the Fund separately from our other revenue, and we do not use Fund contributions to pay any of our general operating expenses other than our costs of administering the Fund, including salaries and overhead in administering the Fund. The purpose of the Fund is to develop marketing and advertising programs that benefit the Waxxpot® brand. This means we may use monies in the Fund for any purpose that promotes our name or Marks, including the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail, online and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities, including participating at trade shows. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, electronic and online advertising, radio or television. We do not guarantee that advertising expenditures from the Branding Fund

will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We have a marketing department, and we also work with national, regional and local agencies. It is our responsibility to determine how these monies are spent. We are not required to use monies in the Fund to benefit any individual market, or on a pro rata or other basis. However, we will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises.

We may reimburse ourselves, our authorized representatives or our affiliates from the Branding Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Branding Fund. Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fund earns will be used for advertising and marketing before we use any principal. At your request, we will make available to you an annual accounting for the Branding Fund that shows how the Fund proceeds were spent for the previous year, but these statements will not be audited. We reserve the right to transfer Branding Fund fees paid to us to our affiliate, The Waxxpot Group Marketing, LLC for accounting and segregation of funds purposes.

In the fiscal year ending December 31, 2021, we collected $512.32 in contributions to the Branding Fund. Of this amount 100% was spent on media production, 0% was spent on media placement, and 0% was spent on administrative expenses.

It is our intention to solicit input on the development of advertising and marketing from franchisees who must contribute to the Fund on the development of the advertising and marketing. However, this input will be advisory only, and we will have the right to make all final decisions about how these monies are spent.

Advertising Council

We intend to form a Franchise Advisory Council that will consist of franchisees within the System with whom we plan to consult on various aspects of the System. This is not a formal entity, and it does not have a telephone number, street address, email address, or website. The members of Franchise Advisory Council (to be named) are simply franchisees who communicate with each other by telephone and email, and who attend telephone and in-person meetings with our staff. No independent franchisee association has asked to be included in this Disclosure Document.

Grand Opening and Ramp Up Plan

Before your franchise opens for business, you are required to spend a minimum of $20,000 towards your Grand Opening Advertising. We will agree on a marketing/public relations plan for your grand opening, including advertising (digital, print or news media), direct mail, or other promotional efforts to ensure consistency with our standards. (Franchise Agreement – Section 4.5) We may require minimum financial commitments with respect to each type of marketing media. We will provide you with guidance for marketing your grand opening, and we will provide the templates to support all grand opening efforts. You are responsible for conforming the templates to your local needs, gaining our approval, and any printing, placement or fulfillment of marketing materials. You must conduct the marketing and public relations campaign according to the marketing plan and our standards, within 45-60 days prior to opening and 45 days after opening. As part of this campaign, you may be required to retain a public relations firm, which we must approve and provide direction to.

The Grand Opening and Ramp Up Plan is intended to be a turnkey, holistic, localized program that includes

guides, timelines, tools, and resources hawse have developed to assist new franchisees in driving awareness and traffic to their new franchise location. We reserve the right to require you to work with one or more of our designated vendors, but you are currently not required to do so as long as your Grand Opening marketing is approved by us.

If you are not required to work with designated vendors, then you may hire your own resources to implement the Grand Opening and Ramp-Up Plan. In this case, you must provide us proof of performance (the plan and measurable media performance results) as well as proof of the amounts paid to all vendors used in your Grand Opening and Ramp-Up Plan within 45 days of opening. The Grand Opening and Ramp-Up Plan may include digital media, print media, television advertising, radio advertising, billboards or other outdoor signage.

You must also purchase branded promotional products through our approved vendors, as described in ITEM 8. Some of the costs of products and services purchased through approved vendors may count toward the required minimum expenditures for the Grand Opening and Ramp-Up Plan, as designated in your local plan.

Marketing Resources, Pre-Approvals for Marketing Materials

All of your marketing materials and advertising, including your website, must be approved by us, and you must obtain our written approval before you publish or use any marketing materials, advertising, website, or other marketing items including, but not limited to, web page, or social networking or social media site, profile or account, relating to or making reference to us, your franchise, or to the Waxxpot® System.

We and our affiliates have the right to sell products and services (for example: apparel, waxing supplies, and related products) both inside and outside your territory, using the "Waxxpot®" name, or using any other name, through any channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing, and may do so in your territory without any compensation to you. These activities may compete with your franchise location. We will not compensate you for any sales made in your area through an alternate channel of distribution.

You may not use any alternate channels of distribution for your franchise, including Internet sales, telemarketing, mobile units or other direct marketing sales, without our approval.

We also reserve the right to advertise the System on the Internet, including through social media and through mobile applications.

We recommend that you spend a minimum of $1,500 per month on local advertising for your location after the completion of the Grand Opening and Ramp-Up Plan. You must order sales and marketing materials from our approved suppliers and per our standards and specifications. If you desire to use your own advertising materials for any marketing activity, you must obtain our prior approval, which may be granted or denied in our sole discretion. Use of logos, Marks and other name identification materials must be consistent with our approved standards. You may not use our logos, Marks or other name identification materials on items to be sold or services to be provided without our prior written approval. You must also obtain our approval before establishing, or having established, any websites, profiles or accounts relating to us, your franchise, or to the Waxxpot® System.

We have established and maintain a web site and location finder at www.waxxpot.com that provides information about franchise-owned, company-owned, and affiliate-owned locations and us. We will provide you with an interior page that highlights information about your location.

We have the right to require that you prepare all or a portion of the page, at your expense, using a template that we provide. All such information shall be subject to our approval prior to posting. We retain the sole right to market on the Internet, including the use of Web sites, domain names, mobile applications, social media pages, location finders, keywords, linking, search engines (and search engine optimization techniques), content generation, banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. We retain the sole right to approve any linking to, or other use of, our web site.

We currently do not require you to participate in any local or regional advertising cooperatives. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document, we but reserve the right to establish one in the future. You will be required to join any local or regional advertising cooperative if one is formed in a geographic area in which your territory is located, and the membership will be comprised of all franchisees located within that geographic area. Any amounts that you contribute to a cooperative will count towards your local advertising requirement, and such amounts will not exceed 3% of your Gross Sales. Company-owned locations within the geographic boundaries of the advertising cooperative will not be required to contribute. We will administer the cooperative, and the governing documents will be available for franchisee review upon written request.

You are ultimately responsible for ensuring that your advertising complies with all applicable laws before using it.

Technology Fee

Under the franchise agreement, you and each franchisee must contribute amounts to the Waxxpot® Technology Fee currently equal to 1% of weekly Net Sales. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. (Franchise Agreement – Section 4.4) We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month after your access to the Waxxpot® extranet and email hosting is activated before your franchise opens for business.

You must pay this Fee at the same time that you pay your Royalty Fee, based on the amount of Net Sales you generate in the previous reporting period. We require all franchisees to contribute to this fund. Our company-owned locations contribute to the Technology Fund at the same percentage rate as franchisees.

We account for the Technology Fee separately from our other revenue, and we do not use those Fee contributions to pay any of our general operating expenses other than our costs of administering the Fee, including salaries and overhead in administering the Fee. The purpose of the Fee is to provide infrastructure technology services (email domains and hosting, web site maintenance and updates and support the Waxxpot Extranet) and develop technology programs and plans that benefit the Waxxpot® brand, improve the customer experience and optimize operational processes. This means we may use monies collected from the Fee for any purpose including the evaluation, creation, licensing, production of technology systems including POS (Point-of-Sale Systems), Marketing Automation, CRM, Voice / SMS / Email systems and processes, data warehousing, data reporting, workflow, interactive training, communications platforms and file sharing.

The Technology Fee may focus on customer-facing technology, franchisee facing technology or franchisor to franchisee technology, of our choice. We do not guarantee that technology expenditures from the Technology Fee will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We have a technology department, and we also work with national, regional and local technology services

firms. It is our responsibility to determine how these monies are spent. We are not required to use monies in the Fund to benefit any individual market, or on a pro rata or other basis. However, we will not spend any portion of these monies for technology principally designed to solicit the sale of franchises.

We may reimburse ourselves, our authorized representatives or our affiliates from the collections of the Technology Fee for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Technology Fee. Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fund earns will be used for Technology reasonable expenditures before we use any principal. At your request, we will make available to you an annual accounting for the Technology Fee that shows how the Fee proceeds were spent for the previous year, but these statements will not be audited. We reserve the right to transfer Technology Fees paid to us to our affiliate, The Waxxpot Group Technology, LLC for accounting and segregation of funds purposes.

It is our intention to solicit input on the development and implementation of technology from franchisees who must contribute to the Fund on the development and implementation of the technology. However, this input will be advisory only, and we will have the right to make all final decisions about how these monies are spent.

ITEM 12: TERRITORY

When you sign a Franchise Agreement, you will have the right to operate one Waxxpot® franchise at a location that we approve. You may relocate the Franchise only with our prior written consent. We will consent to relocation to a site approved by us if your lease expires or terminates through no fault of yours, or if the franchise location is destroyed or materially damaged by fire, flood, or other natural catastrophe, and you are not in default of the Franchise Agreement or any other agreement with us or our affiliates. You must reimburse us for all out- of-pocket expenses that we incur in connection with the relocation of your franchise location.

Once the franchise location is identified, the location will be identified in Section A of Exhibit 1 of the Franchise Agreement in the form of a map that identifies the Protected Territory, or, we may simply describe an area surrounding your location in writing.

The actual boundaries of the Protected Territory will be determined based on a number of factors, which may vary from one location to the next.

The criteria we use to determine the boundaries of the territory in your franchise agreement include population density, socio-economics, population growth trends, population lifestyle attributes, the density of residential and business entities, pedestrian traffic patterns, car traffic patterns, drive time, and natural boundaries.

The map or description may not be a specific radius from your location, because it will take into account traffic patterns and natural boundaries. However, the territory will range from approximately one tenth of one mile from your location (in densely populated metropolitan areas) to, for example, three miles (in small towns). You may locate your franchise at any place within that territory, so long as the site you select receives our approval and is not also within the territory of another franchisee or company-owned or affiliate-owned locations. Protected territories may overlap, but we will not approve anyone opening a

franchise, or relocating a franchise, into a protected territory given to another franchisee. We do not have the right to unilaterally change your territory, and there are no minimum sales or revenue quotas required to maintain your territory; as long as your franchise agreement is in effect, you will retain the rights described in this paragraph.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the franchise term, however, we will not own, operate or grant anyone else the right to operate a franchise under the Waxxpot® name or Marks within the Protected Area. We reserve to ourselves all other rights, including the right: (a) to own and operate (including affiliate-owned locations) and to grant others the right to own and operate franchise locations outside the Protected Area, regardless of their proximity to the Protected Area; (b) the right to distribute products and services identified by the Marks, such as Private Label Products, in and outside of the Protected Area through alternative channels of distribution including retail, mail order, catalog sales, Internet sales; (c) the provision of at-home or mobile hair removal and skincare services provided at off-site locations; and (d) the licensing and/or franchising of and/or operation by us of a franchise with a reduced store footprint, including a store-in-a-store or amenities service at a residential or commercial building (i.e., a hotel). We are not required to pay any compensation for soliciting or accepting orders for products and services identified by the Marks as described above in your Protected Area.

Under the franchise agreement, you have no right, to sell or distribute Waxxpot® products through wholesale channels, for example, to other Waxxpot® locations or retailers, or directly to the public through alternate retail channels, such as mail order, catalog sales, or internet sales.

Neither we nor our affiliates operate or plans to operate, or franchise businesses, under a different trademark that will sell goods or services that are the same as or similar to those the franchisee will sell.

Except for the Protected Area granted in your franchise agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional franchises you must enter into a new Franchise Agreement and meet all our current requirements for franchisees.

We may also have situations where we designate a "TBD" (to be determined) territory if both we and you do not know the exact location prior to signing your franchise agreement. If you receive a TBD territory, you have the right to look for a site in any area that has not already been given as a protected territory to another franchisee. However, if you find a proposed site in near proximity to an existing franchisee, even though not in that franchisee's protected territory, we may offer the site to the existing franchisee before we agree to assign that area to you or grant you the right to develop that site.

Area Development Agreement

If you sign an Area Development Agreement, we will describe this territory in the Rider to that agreement in the form of a map that identifies the Development Territory, or, we may simply describe an area surrounding your territory.

The actual boundaries of the Development Territory will be determined based on a number of factors, which may vary from one location to the next. The criteria we use to determine the boundaries of the territory in your Area Development Agreement include population density, socio-economics, population growth trends, population lifestyle attributes, the density of residential and business entities, pedestrian

traffic patterns, car traffic patterns, drive time, and natural boundaries.

If you are in compliance with the Development Schedule set forth in the Rider, then until your Development Territory rights expire, (i) We will not place or license to anyone else the right to place a franchise in your Development Territory, and (ii) We will not operate, or grant franchises or licenses to others to operate a location under the Marks or other names in your Development Territory unless we do so after we or our affiliates acquire, or merge with, another business that operates or grants franchises to operate locations (or businesses that include body and facial waxing services (or hair removal) for men and women along with related services, and the sale of related products at a retail location), or after we are acquired by such a business, in which case we may do so, provided we do not operate those locations in your territory under the Waxxpot® name or Marks, or license anyone else to use the Waxxpot® name to operate locations in your territory. However, we do have the right to place Waxxpot®-branded locations, or grant others the right to do so, outside your Development Territory, including locations operated under the Waxxpot® name and Marks, even if you compete for guests with any of our franchises, and even if the territorial boundaries for that franchise overlap with the boundaries for your territory. Your rights in this territory will end at the earlier of (i) the date your Area Development Agreement expires; (ii) the date you must sign the franchise agreement for your last franchise developed under the terms of the Development Schedule, or (iii) the date when the individual protected territories given to you under a franchise agreement for your final franchise are determined.

When your rights in the Development Territory expire under the Area Development Agreement, you will still have the rights granted to you under individual franchise agreements.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, if you are complying with all of the terms of the Area Development Agreement and you and your affiliates are complying with all obligations under all franchise agreements, during the term of the Area Development Agreement, neither we nor our affiliates will operate, or authorize any other party to operate a Waxxpot®-branded location in the Development Territory defined in the Area Development Agreement except for: (a) franchises we grant to you and your approved affiliated entities; (b) Waxxpot®-branded locations that are located at non-traditional locations such as airports, colleges and universities, hospitals and other medical centers, military bases, department stores, hotels, residential buildings, private clubs, corporate campuses and other venues to which the general public customarily has limited access ("Non-Traditional Locations").

We (and any affiliates that we might have from time to time) have the right to engage in any activities we or they deem appropriate that are not expressly prohibited by the Area Development Agreement, including the right to sell our product lines, both branded or otherwise, through wholesale channels, including on-line, and other channels of distribution, within or outside of the Development Territory defined in the Area Development Agreement or where we (and our affiliates) may operate or authorize any other parties to operate Waxxpot®-branded locations in Non-Traditional Locations.

Upon expiration or termination of the Area Development Agreement (which includes our right to terminate the Area Development Agreement Rights Rider as a result of your failure to satisfy your obligations under the development schedule or any other obligation under the Area Development Agreement Rights Rider), we (and our affiliates) may operate, and authorize any other parties to operate Waxxpot®-branded locations in the Development Territory defined in the Area Development Agreement without any restrictions, subject only to your (or your Affiliated Entity's) rights under existing franchise agreements with us (which includes any Protected Areas) and your rights of first offer set forth in Section 10 of the Area Development

Agreement.

ITEM 13: TRADEMARKS

The franchise agreement gives you the right to operate a Waxxpot® franchise under our Marks, trade names, trademarks and service marks that we or our affiliates establish.

The following Marks have been registered on the Principal Register of the United States Patent and Trademark Office ("**USPTO**") by our affiliate Waxxpot Group Trademark LLC and licensed to us for use in granting franchises and operating company-owned and affiliate-owned locations. These are the principal trademarks you will use in operating your franchise:

Mark	Registration Number	Registration Date	Register
WAXXPOT	5,408,506	Feb. 20, 2018	Principal
WAXXPOT (composite)	5,902,134	Nov. 05, 2019	Principal
HONEYCOMB LOGO	5,902,133	Nov. 05, 2019	Principal
EVERY BODY WELCOME	5,916,319	Nov. 19, 2019	Principal

The Waxxpot Group Trademark, LLC owns and has granted us the right to use these Marks in connection with the franchising of Waxxpot® locations and the operation of company-owned and company-affiliated locations. Our agreement with The Waxxpot Group Trademark, LLC is perpetual unless otherwise terminated by mutual agreement.

We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you. The franchisor has filed all required affidavits in connection with these trademarks. Because the trademarks are less than six years old, no registrations need to be renewed at this time.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court. There are no directly infringing uses actually known to us that could materially affect your use of the Marks, however, we have not conducted an exhaustive search of users of names which may be the same or similar to our marks. You should be aware, however, that numerous operators use the phrase "wax' and 'waxing" as part of their name and identity.

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

You may not use the Marks or any part of the Marks in your corporate name, and may not use them to incur

any obligation or indebtedness on our behalf.

You may not use the Marks or any part or derivative of the Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any username on any website, search engine or social networking website (such as GOOGLE, FACEBOOK, INSTAGRAM, PINTEREST, YOUTUBE, SNAPCHAT, or TWITTER) or as part
of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Intellectual Property, or any challenge to our ownership of, or license to use and to license others to use, or your right to use, they Marks or Intellectual Property. We have the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving they Marks or Intellectual Property, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against third parties for infringement of our Marks or Intellectual Property. In the event of a lawsuit relating to your use of the Marks or Intellectual Property, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to the action. Unless the action is the result of your use of the Marks or Copyright Works in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your associated costs.

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

We may change our Marks and require you to adopt new Marks as if the Marks were part of the Franchise Agreement at the time of its execution. You must comply with these changes immediately at your expense after we notify you that we have discontinued, modified or changed one or more of our Marks. Your rights shall remain unaffected if we require you to modify or discontinue using a trademark. We will have no liability or obligation because of the discontinuation, modification or change. You must not directly or indirectly contest the validity of our ownership of the Marks or our right to use or license the Marks, trade secrets, confidential information or business techniques that are part of our business. You must use the designations of ®, ™, and ^{SM} in advertising and promotions using our Marks.

We do not know of any infringing uses that could materially affect your use of our Marks.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights material to the franchise. However, we claim copyright, trademark, trade dress, trade secret and design patent protection in the Operations Manual (as applicable), the design elements of our Marks, our store design, our product packaging, advertising and promotional materials, our product design, and the content and design of our website (the "Intellectual Property").

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our Intellectual Property. We have no obligation to protect any rights you have to use the Intellectual Property. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Intellectual Property on the Internet without our written permission. This includes display of the Intellectual Property on commercial websites, gaming

websites, and social networking websites (such as GOOGLE, FACEBOOK, INSTAGRAM, PINTEREST, YOUTUBE, SNAPCHAT, or TWITTER).

You and your employees must maintain the confidentiality of all information contained in the Operation Manual and other information that we consider confidential, proprietary, or trade secret information. Confidential Information means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; and standards and specifications for services and products offered; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, any training we provide, and all other information that we designate (collectively, "Confidential Information"). You must implement any reasonable procedures we may adopt to protect our Confidential Information including restrictions on disclosures to your employees and requiring employees who will have access to our Confidential Information to sign employment agreements containing non-disclosure and non-competition provisions.

You may not contest our exclusive ownership of the copyrights, trade dress, trademarks, trade secrets, design patents, processes, methods, procedures, formulae, techniques and other proprietary information to which we claim exclusive rights.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your Franchise, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

While we do not require that you personally supervise your franchise operation, we recommend that you do so. If you are not the Principal Operator and “on premise” supervisor of your franchise, then you must designate a Principal Operator to serve as your on-premises supervisor. We do not impose any limitations on whom you can hire as your Principal Operator, but that person must satisfactorily complete our initial training requirements and all other training we reasonably designate, and that person must sign a Nondisclosure and Non-competition Agreement with you that meets our requirements and that you provide to us before the Principal Operator attends training or commences their role at your franchise. A sample Nondisclosure and Non-competition Agreement will be provided to you or made available via the Operations Manual if your plan to hire a Principal Operator

You must keep us informed at all times of the identity of your designated manager. We do not require that a Principal Operator owns any required interest in your franchisee business entity.

We also require you to designate a Principal Owner of your business to attend our Annual Conference each year, even if that person is not personally supervising your franchise(s).

If you are a legal or business entity, each individual who has any ownership interest in your business, directly or indirectly, must sign the guaranty and assumption of Franchisee’s Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise

Agreement. (See Exhibit E, Agreement of Owners of Franchise, Section 3 (Guaranty of Payment of Amounts Due from Franchisee)). We do not require spouses of those with ownership interests in the business to sign a personal guarantee.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in your entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the franchise agreement by signing the Agreement of Owners of Franchise attached hereto as Exhibit E.

We also require you to obtain a nondisclosure and non-competition agreement from your owners, officers, directors, partners, members, managers, executives, employees, staff and other individuals having access to trade secrets or other confidential information, and each must sign a nondisclosure and non-competition agreement in a form that is the same as or similar to the Confidentiality and Nondisclosure Agreement and Covenant Not to Compete attached hereto as Exhibit F. We are a third-party beneficiary with the independent right to enforce the agreements.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

We may periodically develop and implement membership programs for the Franchise System. Participation in such membership programs may include accepting new customers and providing customer services according to pre-paid terms that we establish or that may have been established by another Franchisee. Participation also may include invoicing us or another franchisee for services performed for customer-members of a different Franchise. You must fully participate in all such membership programs according to our Standards. All sales must be for retail consumption only and you may not engage in wholesale sales of any kind through any channels of distribution without our prior consent. You may not sell Private Label Products through any means of distribution other than from the Franchise unless we expressly authorize in writing. We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law. We do not limit the customers to whom you can offer services.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
a.	Length of the franchise term	2.1	Term is 10 years.
b.	Renewal or extension of the term	2.2	If you are in good standing, you can add one renewal term equivalent in years to the term then being offered to new franchisees.
c.	Requirements for You to renew or extend	2.2	The requirements include: (1) 6 months written notice prior to the end of the term; (2) no default; (3) satisfaction of all governmental inspections during the term; (4) execution of a then-current franchise agreement; (5) completion of any required capital improvements; (6) payment of renewal fee; and (7) other reasonable conditions. The then-current franchise agreement you must sign may contain materially different terms and conditions than your original agreement.
d.	Termination by You	Not applicable	You may terminate your franchise agreement under any grounds permitted by law.
e.	Termination by us without cause	Not applicable	

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
f.	Termination by us with cause	Article 9	We have the right to terminate the franchise agreement with cause. Depending on the reason for termination, we may not be required to provide you an opportunity for cure.
g.	"Cause" defined – curable defaults	9.3 & 9.4	You have 30 days to cure all defaults, except those described in Sections 9.1 and 9.2 of the franchise agreement and those which reasonably require more than 30 days to cure, in which case you must commence cure within 30 days and proceed with diligence. Defaults capable of cure include: (1) failure to comply with the franchise agreement or Manual (except as otherwise provided in Sections 9.1 and 9.2 of the franchise agreement); (2) failure to maintain and observe our standards and procedures; (3) failure to obtain necessary approvals from us; (4) acting in a manner contrary to your lease or jeopardizing your right to renew your lease; or (5) engaging in business using confusingly similar marks; (6) default under any other agreement (which is not cured within the period required in the agreement); (7) any attempted assignment, transfer, or sublicense of the franchise, or any right under the franchise agreement, without our prior written consent.

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
h.	"Cause" defined – non-curable defaults	9.1 & 9.2	We may terminate the franchise agreement, without any opportunity to cure, effective immediately upon notice, if, for example: (1) You becomes bankrupt or insolvent; (2) You abandon the franchise; (3) You make any material misrepresentation or engage in conduct that reflects materially and unfavorably upon the operation and reputation of the System or us; (4) the franchise location is taken over or foreclosed; (5) a final judgment against you remains unsatisfied for 30 days; (6) a levy or execution is made upon the license granted by the franchise agreement or any of your property, and is not discharged within 5 days; (7) You are convicted of a felony or other criminal misconduct related to the franchise or operation of the franchise; (8) You, on three occasions during any 12-month period, commits the same or similar defaults, whether or not corrected after notice; (9) failing to pay any amounts due to us or an affiliate within 5 days after receiving our written notice; (10) failing to comply with any federal, state, or local law, rule, or regulation applicable to the operation of the franchise within 10 days after notification; (11) We make a reasonable determination that your continued operation of the franchise will result in an imminent danger to public health or safety. (Also see ITEM 11 regarding termination for failure to (1) open the franchise without signing the franchise agreement or (2) completing mandatory training required by us.)

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
i.	Your obligations on termination or non-renewal	10	Obligations include: (1) ceasing operation of the franchise and complete de-identification with the System; (2) payments of all amounts due; (3) returning the Operations Manual and all of our confidential information. There are other obligations as well (including the obligations described in this ITEM 17).
j.	Assignment of contracts by Us	11.1	We have the absolute right to assign the Franchise Agreement provided that the assignee expressly assumes and agrees to perform all of our obligations.
k.	"Transfer" by You – definition	11.2	You may not transfer any interest in the franchise agreement or franchise, or sell substantially all of the assets of the franchise, without our prior written consent. Public or private sales of securities or other interests in you or the franchise also are prohibited without our prior written consent.
l.	Our approval of transfer by You	11.2	We have the right to approve all transfers, which may be withheld in our sole discretion.

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
m.	Conditions for our approval of transfer	11.2	We may impose reasonable conditions to transfer, including any of the following: (1) the transferee demonstrates the skills, qualifications and economic resources necessary to operate the franchise; (2) submission of transferee's financial statements and other documents necessary to evaluate transferee's character, credit worthiness, business experience and suitability; (3) submission of all sale and transfer documents; (4) subordination of transferee's creditors to us; (5) transferee's completion of the initial training program offered by us; (6) your compliance with all material obligations under the franchise agreement; (7) transferee's execution of the then- current Franchise Agreement; (8) your reaffirmed commitment to comply with the non- competition covenants set forth in the franchise agreement; and (9) payment of the transfer fee together with all out- of-pocket costs and expenses incurred in evaluating and effecting the transfer.
n.	Our right of first refusal to acquire your business	11.5	We have the right of first refusal to purchase your franchise in the event of a transfer or attempted transfer by you, except in the case of a transfer to an owner, spouse, child, grandchild or parent upon such owner's death.
o.	Our option to purchase your business	11.5	We have the right of first refusal to purchase your franchise in the event of a transfer or attempted transfer by you, except in the case of a transfer to an owner, spouse, child, grandchild or parent upon such owner's death.

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
p.	Your death or disability	11.4	The spouse, child, grandchild or parent of an owner may apply to continue operation of the franchise so long as such person: (1) executes all agreements and undertakings required of the deceased owner; (2) completes the initial training offered by us within 180 days after the effective date of the transfer; and (3) agrees in writing to comply, and causes you to comply, with all other terms, covenants and provisions to the Franchise Agreement. Failure to satisfy these conditions within 180 days shall be a material default.
q.	Non-competition covenants during the franchise term	12.2(A)	You will not provide service or product offerings for sale outside the confines of the territory granted to you by us, without our prior written consent. You will not engage in any other competitive business located within 25 miles of the franchise location or any other Waxxpot® location or any Waxxpot® development territory.
r.	Non-competition covenants after the franchise is terminated or expires	12.2(B)	You will not engage in any other competitive business located within 25 miles of the franchise location or any other Waxxpot® location or any Waxxpot® development territory for two years immediately following expiration, non-renewal or termination of the Franchise Agreement.
s.	Modification of the Agreement	16.1	The franchise agreement can be modified only by written agreement. We can modify the System through changes in the Operations Manual at any time.

	PROVISION	SECTION OF THE FRANCHISE AGREEMENT	SUMMARY
t.	Integration/merger clause	16.1	The franchise agreement, attachments and documents referenced in the franchise agreement and this Disclosure Document constitute the entire agreement and supersede all prior agreements, whether written or oral. Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by internal dispute resolution, arbitration or mediation	19.1, 19.2 and 19.3	We have the right to seek judicial enforcement in certain circumstances. All other disputes under the franchise agreement which cannot be amicably settled by internal dispute resolution, must be submitted to arbitration in Columbus, Ohio. You waive your right to a jury trial and punitive damages. Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law).
v.	Choice of forum	19.7	Any action will be brought in the appropriate state or federal court in Franklin County, Ohio (subject to state law). Arbitration will be conducted in Columbus. Ohio.
w.	Choice of law	19.7	Ohio law applies (subject to state law).

THE DEVELOPER RELATIONSHIP

This table lists certain important provisions of the Area Development Agreement. You should read these provisions carefully in the Area Development Agreement attached as EXHIBIT C to this Franchise Disclosure Document.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
a.	Length of the franchise term	2	Term varies.
b.	Renewal or extension of the term		You have no right to renew the Development Agreement.
c.	Requirements for You to renew or extend	Not applicable	
d.	Termination by You	Not applicable	
e.	Termination by Us without cause	Not applicable	
f.	Termination by Us with cause	10	We have the right to terminate only if you materially breach the Development Agreement or any other agreement between us, including any Franchise Agreement. Upon your breach of any Franchise Agreement executed by you under the Development Agreement, we may terminate your right to develop and the Franchise Agreement involved, but the termination of the right to develop will not terminate any rights granted under other franchise agreements then in effect.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
g.	"Cause" defined –curable defaults	10.2	The following are defaults you may cure before period of thirty (30) days after written notification from us: (i) failure to comply with the Development Schedule; (ii) failure to pay any Franchise Fee required hereunder and/or pursuant to any Franchise Agreement required to be executed pursuant to this Agreement on or before the date payable; (iii) failure to meet and/or maintain the Standards; (iv) failure to deliver executed covenants as required in Article 6; (v) failure to comply with or perform its covenants, obligations and agreements contained in this Agreement.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
h.	"Cause" defined – non-curable defaults	10.1	We may terminate the Development Agreement, without any notice or opportunity to cure, if, for example: (1) You attempt to sell, assign, transfer, or encumber any or all rights and obligations under the Agreement in violation of the Agreement; (2) You fail to meet the Development Schedule; (3) You make any material misrepresentation or engage in conduct that materially impairs the good will associated with the Marks; (4) You or any person under your control intentionally or negligently discloses, copies, or reproduces any trade secrets or Confidential Information of ours or our affiliates; (5) You or your entity becomes insolvent or is adjudicated bankrupt, or any action is taken by or against you under any insolvency, bankruptcy, or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed for you; and (6) in the event of a material breach by you of any individual Franchise Agreement or any other agreement between us, subject to any notice provisions of such other agreement.
i.	Your obligations on termination or non-renewal	10.3	You may not develop any additional Waxxpot® locations. Termination of the Development Agreement does not affect any of the Franchise Agreements that you have executed before termination unless there is separate default.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
j.	Assignment of contracts by Us	8.1	We have the absolute right to assign the Development Agreement provided that the assignee expressly assumes and agrees to perform all of our obligations.
k.	"Transfer" by You - definition	8.2 & 8.3	You may not transfer any interest in the development agreement or sell substantially all of the assets of the development-franchise, without our prior written consent. Public or private sales of securities or other interests in you or the development-franchise also are prohibited without our prior written consent.
l.	Our approval of transfer by you	8.2 & 8.3	We have the right to approve all transfers, which may be withheld in our sole discretion.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
m.	Conditions for our approval of transfer	8.2 and 8.3	The Development Agreement cannot be assigned or transferred without our approval: We may impose reasonable conditions to transfer, including any of the following: (1) the transferee demonstrates the skills, qualifications and economic resources necessary to operate the development-franchise; (2) submission of transferee's financial statements and other documents necessary to evaluate transferee's character, credit worthiness, business experience and suitability; (3) submission of all sale and transfer documents; (4) subordination of transferee's creditors to us; (5) transferee's completion of the initial training program offered by us; (6) your compliance with all material obligations under the development agreement; (7) transferee's execution of the then- current Franchise Agreement; (8) your reaffirmed commitment to comply with the non- competition covenants set forth in the franchise agreement; and (9) payment of the transfer fee together with all out-of- pocket costs and expenses incurred in evaluating and affecting the transfer.
n.	Our right of first refusal to acquire your business	Not applicable	
o.	Our option to purchase your business	Not applicable	
p.	Your death or disability	Not applicable	
q.	Non-competition covenants during the term of the agreement	6.5 & Exhibit B to Development Agreement	No involvement in any business that features the operation of a Waxxpot® location or franchise and related services and products offered by our System.

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
r.	Non-competition covenants after the franchise is terminated or expires	6.5 & Exhibit B to Development Agreement	You will not engage in any other competitive business located within 25 miles of any Waxxpot® location or other Waxxpot® franchise location (whether operating under the Trademarks or otherwise) or any development territory for two years immediately following expiration, non- renewal, assignment, transfer, or termination of the Development Agreement.
s.	Modification of Agreement	20	The Development Agreement can be modified only by written agreement.
t.	Integration/merger clause	20	The Development Agreement, attachments and documents referenced in the Development Agreement and this Disclosure Document constitute the entire agreement concerning the subject matter thereof and supersede all prior agreements, whether written or oral. Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Development Agreement may not be enforceable.
u.	Dispute resolution by internal dispute resolution, arbitration or mediation	18.1, 18.2 and 18.3	We have the right to seek judicial enforcement in certain circumstances. All other disputes under the Development Agreement which cannot be amicably settled by internal dispute resolution, must be submitted to arbitration in Columbus, Ohio. You waive your right to a jury trial and punitive damages. Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law).

	PROVISION	SECTION OF DEVELOPMENT AGREEMENT	SUMMARY
v.	Choice of forum	18.7	Any action will be brought in the appropriate state or federal court in Franklin County, Ohio (subject to state law). Arbitration will be conducted in Columbus. Ohio.
w.	Choice of law	18.7	Ohio law applies (subject to state law).

ITEM 18: PUBLIC FIGURES

We do not currently use any public figure to promote the sale of franchises.

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.

The information provided in this Item 19 is based on historical results of locations owned or partially owned by our affiliate.

The Measurement Period starts before the onset of the COVID-19 pandemic and continues through December 31, 2021. In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. Due to governmental mandates, we were required to cease our operations for 60 days during 2020.

Across all of our stores, we and our affiliates have incurred increased operational costs as a result of the introduction of public health measures and other regulations affecting our stores and our operations, as well additional health and safety measures adopted by us and our affiliates related to the COVID-19 pandemic, including increases in labor and store cleaning expenses and expenditures related to our efforts to procure Personal Protection Equipment and supplies.

As of December 31, 2019, there were 5 company-owned (owned by our affiliate, The Waxxpot Group, LLC) and 2 affiliate-owned Waxxpot® stores operating for more than 12 months. As of December 31, 2020, there were 7 company-owned (owned by our affiliate, The Waxxpot Group,

LLC) and 2 affiliate-owned Waxxpot® stores operating for more than 12 months. The Waxxpot Group, LLC has partial ownership in the 2 affiliate-owned stores. Each store included in this data set offered similar products and services as would generally be offered by a typical Waxxpot® store, except for limited tests of procedures, products and/or services that may or may not be eventually incorporated into the system, depending on the success of the tests. Because our affiliate stores do not pay marketing or royalty fees, we have imputed those fees within our EBITDA calculation by adding an additional 8% of revenue. Our partner stores do pay a royalty fee, so only 2% of revenue were imputed for those stores. This data has not been independently audited.

The 2019 average presented below reflects all stores in continuous operations for the full calendar year. The 2018 average presented below reflects partial year data for stores that opened in 2018 (Dayton, OH, Dublin, OH, Polaris, OH, and Sandy Springs, GA) and full-year data for stores that were open prior to 2018 (Gahanna, OH, Grandview, OH, and Short North, OH.

"SG&A" means Selling, General & Administrative expenses, which include non-technician payroll and related expenses, rent, utilities, marketing and advertising, depreciation, insurance, and professional fees.

2018							
		Sales *	Gross Profit	Imputed Royalty Fee	Imputed Marketing Fund	SG&A- including Imputed Fees	EBITDA- including Imputed Fees
Location (Metro area)	Opening Date						
Short North- Columbus, OH **	Mar-16	$ 437,588	$ 241,883	$ 26,255	$ 8,752	$ 208,776	$ 33,107
Gahanna- Columbus, OH	Nov-16	$ 468,032	$ 238,652	$ 28,082	$ 9,361	$ 173,660	$ 64,992
Grandview- Columbus, OH	Sep-17	$ 804,998	$ 483,032	$ 48,300	$ 16,100	$ 223,029	$ 260,003
AVERAGES FOR STORES OPEN FULL YEAR		$ 570,206	$ 321,189			$ 201,822	$ 119,367
NUMBER & PERCENTAGE THAT MET OR EXCEEDED THE AVERAGE		1 (33.3%)	1 (33.3%)			2 (66.67%)	1 (14.3%)
MEDIAN STORE OPEN FULL YEAR		$ 468,032	$ 241,883			$ 208,776	$ 64,992

2019							
		Sales *	Gross Profit	Imputed Royalty Fee	Imputed Marketing Fund	SG&A- including Imputed Fees	EBITDA- including Imputed Fees
Location (Metro area)	Opening Date						
Short North- Columbus, OH **	Mar-16	$ 424,336	$ 256,736	$ 25,460	$ 8,487	$ 206,316	$ 50,420
Gahanna- Columbus, OH	Nov-16	$ 578,842	$ 335,830	$ 34,731	$ 11,577	$ 259,983	$ 75,847
Grandview- Columbus, OH	Sep-17	$ 946,612	$ 567,901	$ 56,797	$ 18,932	$ 322,022	$ 245,879
Sandy Springs, Atlanta, GA	Mar-18	$ 262,593	$ 126,464	$ 15,756	$ 5,252	$ 191,498	$ (65,034)
Dublin- Columbus, OH	Jun-18	$ 271,673	$ 163,810	$ 16,300	$ 5,433	$ 202,723	$ (38,913)
Polaris- Columbus, OH	Sep-18	$ 253,754	$ 151,156	$ 15,225	$ 5,075	$ 198,723	$ (47,567)
Dayton- Dayton, OH	Oct-18	$ 457,813	$ 264,041	$ 27,469	$ 9,156	$ 176,458	$ 87,583
AVERAGES FOR STORES OPEN FULL YEAR		$ 456,518	$ 266,563			$ 222,532	$ 44,031
NUMBER & PERCENTAGE THAT MET OR EXCEEDED THE AVERAGE		3 (42.3%)	2 (28.6%)			2 (28.6%)	4 (57.1%)
MEDIAN STORE OPEN FULL YEAR		$ 424,336	$ 256,736			$ 202,723	$ 50,420

†The Cherry Creek and Austin South locations were not open for all of 2019, so while their data is shown above, they are not included in the averages and medians for the stores that were open for all of 2019.

2020***							
		Sales *	Gross Profit	Imputed Royalty Fee	Imputed Marketing Fund	SG&A- including Imputed Fees	EBITDA- including Imputed Fees
Location (Metro area)	Opening Date						
Short North- Columbus, OH **	Mar-16	$ 200,266	$ 114,186	$ 12,016	$ 4,005	$ 144,600	$ (30,414)
Gahanna- Columbus, OH	Nov-16	$ 414,706	$ 246,976	$ 24,882	$ 8,294	$ 173,948	$ 73,028
Grandview- Columbus, OH	Sep-17	$ 814,747	$ 519,521	$ 48,885	$ 16,295	$ 252,326	$ 267,195
Sandy Springs, Atlanta, GA	Mar-18	$ 301,722	$ 172,913	$ 18,103	$ 6,034	$ 202,402	$ (29,489)
Dublin- Columbus, OH	Jun-18	$ 349,509	$ 191,385	$ 20,971	$ 6,990	$ 179,483	$ 11,902
Polaris- Columbus, OH	Sep-18	$ 254,546	$ 167,120	$ 15,273	$ 5,091	$ 179,579	$ (12,458)
Dayton- Dayton, OH	Oct-18	$ 732,446	$ 362,308	$ 43,947	$ 14,649	$ 181,056	$ 181,252
Cherry Creek- Denver, CO	Jan-19	$ 137,956	$ 69,125	$ 8,277	$ 2,759	$ 157,062	$ (87,937)
Austin South-Austin, TX	Feb-19	$ 168,897	$ 60,932	$ 10,134	$ 3,378	$ 235,239	$ (174,307)
AVERAGES FOR STORES OPEN FULL YEAR		$ 374,977	$ 211,607			$ 189,522	$ 22,086
NUMBER & PERCENTAGE THAT MET OR EXCEEDED THE AVERAGE		2 (22.2%)	3 (33.3%)			3 (33.3%)	3 (33.3%)
MEDIAN STORE OPEN FULL YEAR		$ 301,722	$ 172,913			$ 179,579	$ (12,458)

January 1 through December 31, 2021							
		Sales *	Gross Profit	Imputed Royalty Fee	Imputed Marketing Fund	SG&A- including Imputed Fees	EBITDA- including Imputed Fees
Location (Metro area)	Opening Date						
Short North- Columbus, OH **	Mar-16	$ 449,279	$ 270,873	$ 26,957	$ 8,986	$ 227,437	$ 43,436
Gahanna- Columbus, OH	Nov-16	$ 639,321	$ 406,055	$ 38,359	$ 12,786	$ 297,229	$ 108,825
Grandview- Columbus, OH	Sep-17	$ 1,161,612	$ 721,153	$ 69,697	$ 23,232	$ 424,412	$ 296,741
Sandy Springs, Atlanta, GA	Mar-18	$ 518,697	$ 290,443	$ 31,122	$ 10,374	$ 287,450	$ 6,514
Dublin- Columbus, OH	Jun-18	$ 584,687	$ 329,263	$ 35,081	$ 11,694	$ 256,600	$ 72,663
Polaris- Columbus, OH	Sep-18	$ 461,066	$ 253,138	$ 27,664	$ 9,221	$ 272,460	$ (19,323)
Dayton- Dayton, OH	Oct-18	$ 1,198,000	$ 684,757	$ 71,880	$ 23,960	$ 463,509	$ 221,248
Cherry Creek- Denver, CO	Jan-19	$ 279,453	$ 138,743	$ 16,767	$ 5,589	$ 261,403	$ (122,660)
Austin South-Austin, TX	Feb-19	$ 423,849	$ 221,547	$ 25,431	$ 8,477	$ 284,014	$ (62,467)
Austin Seaholm-Austin, TX	Jun-20	$ 366,326	$ 195,635	$ 21,980	$ 7,327	$ 197,074	$ (1,438)
Beavercreek- Dayton, OH	Nov-20	$ 670,531	$ 362,852	$ 40,232	$ 13,411	$ 267,387	$ 95,465
AVERAGES FOR STORES OPEN FULL YEAR		$ 613,893	$ 352,224			$ 294,452	$ 58,091
NUMBER & PERCENTAGE THAT MET OR EXCEEDED THE AVERAGE		4 (36.4%)	4 (36.4%)			3 (27.3%)	5 (45.5%)
MEDIAN STORE OPEN FULL YEAR		$ 518,697	$ 290,443			$ 272,460	$ 43,436

*Sales are cash sales after discounts and refunds, including waxx pack sales.
**Opening Date Short North is actually date of acquisition.
***There is a total of $379,000 of forgiven PPP Loans that were received in 2021 that offset expenses; the figure of $379,000 consists of $216,000 COGS-Payroll and $163,000 SG&A Payroll.
**** Averages for stores open at the start of the year and end of the year. During 2020, all stores

were closed for 2 to 3 ½ months due to COVID.

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

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

Other than the preceding financial performance representation, The Waxxpot Group Franchise, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing store, however, we may provide you with the actual records of that store. 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 Robert Wharton, Executive President, The Waxxpot Group Franchise, 4211 S. Lamar Blvd., Austin, TX 78704, telephone 614-622-3018, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2019- 2021

Outlet Type	Year	Outlets at the Start	Outlets at the End of the	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	2	+2
Company-Owned[1]	2019	7	9	+2
	2020	9	11	+2
	2021	11	11	0
Total Outlets	**2019**	**7**	**9**	**+2**
	2020	**9**	**11**	**+2**
	2021	**11**	**13**	**+2**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2018-2020

State	Year	Number of Transfer
NONE	2019	0
	2020	0
	2021	0
Total	**2019**	**0**
	2020	**0**
	2021	**0**

Table No. 3
Status of Franchised Outlets
For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Ohio	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Texas	2019	0	0	0	0	0	0	0
	202	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**2**	**0**	**0**	**0**	**0**	**2**

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchise	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Georgia	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Ohio	2019	6	0	0	0	0	6
	2020	6	1	0	0	0	7
	2021	7	0	0	0	0	7
Texas	2019	0	1	0	0	0	1
	2020	1	1	0	0	0	2
	2021	2	0	0	0	0	2
Total Outlets	**2019**	**7**	**2**	**0**	**0**	**0**	**9**
	2020	**9**	**2**	**0**	**0**	**0**	**11**
	2021	**11**	**0**	**0**	**0**	**0**	**11**

Table No. 5
Projected Openings as of December 31, 2021

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
Kentucky	0	2	0
Ohio	1	2	2
Pennsylvania	0	1	0
Texas	0	0	1

Total	1	5	3

We list our affiliate-owned outlets in Exhibit K attached to this Disclosure Document. Additionally, the name of each of our current franchisees and the address and telephone number of each of their outlets are listed in Exhibit K as well. We do not have any franchisees that left the system during 2021.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We did not have any franchisees sign confidentiality clauses with us during the last 3 fiscal years that would prevent them from speaking openly about their experiences with us.

ITEM 21: FINANCIAL STATEMENTS

We have not been in business for three years or more and therefore cannot include all the financial statements required by the Federal Trade Commission. Exhibit O contains our audited financial statements as of December 31, 2021 and December 31, 2020. Our Fiscal Year End is December 31 of each year.

ITEM 22: CONTRACTS

Exhibit B	Franchise Agreement
	EXHIBIT 1 to Franchise Agreement: Designated Area and Specified Location
	EXHIBIT 2 to Franchise Agreement: Franchisee's Owners and Their Interests in Franchisee
	EXHIBIT 3 to Franchise Agreement: Ohio Notice of Cancellation
	EXHIBIT 5 to the Franchise Agreement: ACH Authorization Forms
Exhibit C	Area Development Agreement
	EXHIBIT B to ADA: Confidentiality, Nondisclosure, and Covenant Not to Compete Agreement
	EXHIBIT C to ADA: Developers Organizational Documents and Corporate Resolutions as Required by Article 7.1(d)
	EXHIBIT D to ADA: Ohio Notice of Cancellation
Exhibit E	Agreement of Owners of Franchise
Exhibit F	Confidentiality and Nondisclosure Agreement and Covenant Not to Compete
Exhibit H	Real Estate Lease Rider
Exhibit N	State Law Addendum
Exhibit P	Receipts

ITEM 23: RECEIPTS

The Receipts noted in EXHIBIT Q of this Franchise Disclosure Document are for you to sign and return to us acknowledging receipt of this Franchise Disclosure Document. The next to last page is a duplicate receipt to be signed and kept by you. If this page or any other pages or exhibits are missing from your copy, please contact us at the address and phone number on the cover page of this Franchise Disclosure Document.

EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, 94104-4428 (415) 972-8565	Commissioner of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 44 Capitol Avenue Hartford, CT 06106 (203) 240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 (904) 922-2770	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Same
HAWAII	State of Hawaii Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street Suite 205 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division	Indiana Secretary of State 201 State House 200 West

	Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Outlet Drive Frankfort, KY 40602 (502) 573-2200	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101	Minnesota Commissioner of Commerce Same Address

	(651) 539-1600	
NEBRASKA	Department of Banking and Finance 1200 N Street, Suite 311 (P.O. Box 95006) Lincoln, NE 68509-5006 (402) 471-3445	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Austin, TX 78704 (614) 466-8831 or (800) 282-0515	Robert Wharton The Waxxpot Group Franchise, LLC 629 North High Street 4th Floor Austin, TX 78704
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same

OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	Rhode Island Attorney General 233 Richmond Street Providence, RI 02903-4232
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Same
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804) 786-7751	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Washington Department of Financial Institutions, Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Same

WISCONSIN	Commission of Securities 101 E. Wilson Street 4th Floor Madison, WI 53702 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

Our General Agent for Service of Process is:

Robert Wharton

The Waxxpot Group Franchise, LLC
4211 S. Lamar Blvd. Austin, TX 78704

EXHIBIT B

FRANCHISE AGREEMENT

WAXXPOT®

Franchise Agreement

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EXHIBITS:

EXHIBIT 1: Designated Area and Specified Location
EXHIBIT 2: Franchisee's Owners and Their Interests in Franchisee
EXHIBIT 3: Ohio Notice of Cancellation
EXHIBIT 4: North Dakota Addendum to Franchise Agreement
EXHIBIT 5: ACH Authorization Forms

THE WAXXPOT GROUP FRANCHISE, LLC
FRANCHISE AGREEMENT

This Agreement ("Agreement") is entered into, effective_____, 20__, (the "Effective Date") between The Waxxpot Group Franchise, LLC**,** an Ohio limited liability company whose address is 4211 S. Lamar Blvd., Austin, TX 78704 ("Franchisor") and _____, whose address is _____ ("Franchisee" or "you").

INTRODUCTION

The parties to this Agreement understand that the circumstances underlying the execution of this Agreement are as follows:

1. Franchisor has developed and owns a system (the "System") for the establishment, development, and operation of businesses offering facial and body waxing services for men and women and the sale of related products and services under the "WAXXPOT®" trademark, trade names, service marks and logos (the "Marks") (all of which may be changed, improved, and further developed by Franchisor from time to time), which includes, without limitation, a distinctive image consisting of exterior and interior design, decor, color schemes and furnishings; products, services and specifications; procedures with respect to operations, and management control (including accounting procedures and policies); training and assistance; and advertising and promotional programs.

2. Franchisor is engaged in the business of licensing the use of the System to others in the operation of franchise units ("Franchise Units"), and Franchisee will be licensed to operate under Franchisor's Marks (as defined in Article 3, the "Marks") and such other Marks as Franchisor may designate in accordance with this Agreement.

3. Franchisee desires to use the System and obtain the rights to establish and operate a Waxxpot® Franchise Unit at a single location within the area designated in Section A of Exhibit 1 of this Agreement (the "Designated Area") utilizing Franchisor' Marks;

4. Franchisee desires to be assisted, trained, and licensed by Franchisor to manage and operate the Waxxpot® Franchise Unit, subject to the terms and conditions set forth in this Agreement; and

5. Franchisee understands that the Franchise Unit to be operated by Franchisee under this Agreement, together with units now or later operated by Franchisor or its other franchisees, will constitute part of the System. Franchisee acknowledges the importance to Franchisor and its other franchisees to maintain the distinctive standards, qualities and attributes of products and services identified by the Marks associated with the System and understands that its strict conformance to this Agreement and the Confidential Operations Manual is essential to maintain such standards, qualities and attributes in its operation of the Franchise Unit.

AGREEMENT

The parties agree as follows:

1 GRANT OF LICENSE AND LOCATION OF FRANCHISE

1.1 License: Franchisor grants to Franchisee, for the term and subject to the conditions set forth in this Agreement, the license to establish and operate a Waxxpot® business ("Franchise Unit") at a single location within the Designated Area using the System. This license is for Franchisee's Franchise Unit within the Designated Area only and does not grant or imply any area, market or territorial rights in addition to the Designated Area.

1.2 Designated Area: Franchisor and its affiliates shall not, during the term of this Agreement, establish or operate units, or grant to any person or entity the license to establish or operate any other Franchise Unit within the Designated Area using the System or a similar system. Nothing contained in this Agreement shall prevent Franchisor or its affiliates from establishing or operating, or granting the right to establish or operate, businesses using the System or a similar system outside of the Designated Area, or marketing other products or services that are not a part of the System under dissimilar names and marks within the Designated Area. Franchisor expressly reserves the exclusive right to sell or to distribute to others for resale, equipment and beauty supplies similar to those sold by Franchisee within the Designated Area, or through other media, such as direct marketing, the Internet, worldwide web, or any other publicly accessible computer network, and Franchisor has no obligation to account for, or share, any profits with Franchisee related to these sales. Franchisor reserves all rights, title and interest to any domain names that include any part of Franchisor's names or Marks.

Notwithstanding the foregoing, Franchisee will not receive an exclusive territory. Franchisee may face competition from other franchisees, from outlets that Franchisor or our affiliates owns, or from other channels of distribution or competitive brands that Franchisor controls. Franchisor reserves to ourselves all other rights, including the right: (a) to own and operate (including affiliate-owned locations) and to grant others the right to own and operate franchise locations outside the Designated Area, regardless of their proximity to the Designated Area; (b) the right to distribute products and services identified by the Marks, such as Private Label Products, in and outside of the Designated Area through alternative channels of distribution including retail, mail order, catalog sales, Internet sales; (c) the provision of at-home or mobile hair removal and skincare services provided at off-site locations; and (d) the licensing and/or franchising of and/or operation by us of a franchise with a reduced store footprint, including a store-in-a-store or amenities service at a residential or commercial building (i.e., a hotel), (e) establish or license Waxxpot®-branded locations that are located at non-traditional locations such as airports, colleges and universities, hospitals and other medical centers, military bases, department stores, hotels, residential buildings, private clubs, corporate campuses and other venues to which the general public customarily has limited access ("Non-Traditional Locations"). Franchisor is not required to pay any compensation for soliciting or accepting orders for products and services identified by the Marks as described above in your Designated Area.

1.3 Location of Unit and Opening: The initial location of the Franchise Unit within the Designated Area is described in Section B of Exhibit 1 to this Agreement. Franchisee shall select the location of its Franchise Unit pursuant to the procedures set forth in Article 5.2, below. Franchisee shall select a location for the Franchise Unit that receives Franchisor's approval within six (6) months immediately following Franchisee's execution of this Agreement. Franchisee shall establish and open the Franchise Unit to the public within twelve (12) calendar months following the month in which this Agreement commences. Franchisor's right to terminate this Agreement upon the expiration of the twelve (12) months may be stayed by Franchisor if (i) Franchisee has the Franchised Unit substantially under construction (meaning for purposes of this Section that Franchisee has spent at least $50,000 in hard construction costs, excluding permitting and other soft costs), by the end of the twelfth (12th) month following the month in which this Agreement commences, and (ii) Franchisee pays to Franchisor $3,500 on or before the fifth (5th) day of each of the next four (4) months (commencing with the thirteenth (13th) month after the month in which this Agreement commences) in which Franchisee has not established and opened its Franchise Unit by the first day of each such month; provided however, that Franchisor shall have the unconditional right to terminate this Agreement if Franchisee has not established and opened its Franchise Unit by the end of the sixteenth (16th) month following the month in which this Agreement commences;

1.4 Relocation of Unit: Franchisee shall not relocate its Franchise Unit without obtaining the prior written consent of Franchisor, which may be withheld in its sole discretion. Franchisee may not establish additional outlets within or outside the Designated Area without purchasing additional licenses from Franchisor. Provided Franchisee is not in default of this Agreement, Franchisee may, at its sole expense and with the prior written approval of Franchisor, relocate the Franchise Unit if the proposed new location: (i) meets Franchisor' approval requirements as set forth in this Agreement; (ii) does not infringe upon and is not located within the protected area of any existing or proposed Franchise Unit; (iii) is not located within (a) any protected area granted to any other franchisee, area developer/franchisee, master franchisee or subfranchisee of Franchise Units, or (b) within three miles of any Franchise Unit or Waxxpot® location owned or operated by Franchisor or any of its Affiliates unless Franchisor otherwise approves; and (iv) is open for business within four (4) months of the date the Franchise Unit closes for business at the initial location. The new location of the Franchise Unit, including the real estate and the building, must comply with Franchisor's then current image, décor, standards and specifications. The Franchisee will pay Franchisor a Relocation Fee of $2,500 on the date Franchisor approves Franchisee's right to relocate. Franchisee will, within five (5) days of the end of each calendar month the Franchise Unit is not open for business during the relocation, pay Franchisor a minimum Service Fee of $1,500 per month.

2 TERM AND RENEWAL

2.1 Term: Subject to Article 9 below, the term of this Agreement shall begin on the Effective Date and shall extend for ten (10) years, unless renewed by Franchisee in accordance with Article 2.2, below.

2.2 Renewal: Upon the expiration of the term of this Agreement, Franchisee may renew the franchise relationship for one renewal term equivalent in years to the term then being

offered to new franchisees if Franchisee fully satisfies the following conditions:

A. The Franchisee is current with all payment obligations to Franchisor and is not otherwise in default of this Agreement or any other agreement between Franchisor and Franchisee at the time that Franchisee gives notice of renewal;

B. Franchisee executes a new Franchise Agreement in the form Franchisor requires new franchisees to execute as of the effective date of the renewal term, which may differ from this Agreement in various ways, including without limitation provisions relating to the Royalty Fee and General Marketing and Advertising Fund Fee (as defined in Article 4 below);

C. Franchisee has made or agrees in writing to make such changes to its equipment, building, furniture, fixtures, signage, decor, operations, and any other matters determined by Franchisor in its sole discretion to bring the Franchise Unit in conformance with Franchisor's requirements of newly established units at that time;

D. The Franchise Unit's operations and conditions shall have been determined to be at least satisfactory by Franchisor in its sole discretion in Franchisor' most recent written consultation or evaluation report of the Franchise Unit;

E. The Principal Owner and Principal Operator (as defined below in this subsection) of the Franchise Unit shall have satisfactorily completed, at Franchisee's own cost, all retraining programs required by Franchisor. As used in this Agreement, the Principal Owner is the person responsible for the on-site operations of the Franchise Unit, maintains an ownership interest in the Franchise Unit, and reports directly to Franchisee. The Principal Owner can be the same person as Franchisee or a principal owner of the Franchisee if Franchisee is a corporation, partnership or limited liability company. A Principal Operator is a person Franchisee designates to have management authority and operational responsibility of the Franchise Unit; but is not required to have an ownership interest in the Franchise Unit;

F. Franchisee pays the renewal fee provided in Article 2.3, below;

G. Franchisee provides proper notice of renewal as provided in Article 2.4 below;

H. Franchisee demonstrates to Franchisor's satisfaction as determined in Franchisor's sole discretion, that Franchisee has secured the right to occupy the approved site for the entire renewal term of the new Franchise Agreement; and

I. Franchisee executes a general release of all claims in a form similar to the General Release attached to the Franchise Disclosure Document as Exhibit J.

2.3 Renewal Fee: The renewal fee ("Renewal Fee") shall be $5,000 to $7,500 and is payable at the time Franchisee gives the notice of renewal. The $7,500 Renewal Fee will be reduced to $5,000 if Franchisor receives the fee, and all signed renewal documents at least 90 days before the term of the Franchise Agreement expires.

2.4 Notice of Renewal: Franchisee must give Franchisor written notice of Franchisee's intent to renew not fewer than six months, nor more than twelve (12) months, before the expiration of the term of this Agreement. Time is of the essence. If local law requires Franchisor to give notice of its intention not to renew Franchisee before the expiration of the term, this Agreement shall remain in effect on a month-to-month basis until Franchisor gives such notice.

3 PROPRIETARY MARKS AND THE FRANCHISE SYSTEM

3.1 Description of Marks: Subject to the terms and conditions of this Agreement, Franchisor grants Franchisee a non-exclusive, non-transferable license to use the "Waxxpot® " service mark and other Waxxpot® trade or other marks designated from time to time for use in connection with the operation of the Franchise Unit. For purposes of this Agreement, "Marks" include, without limitation, names, trade names, trademarks, service marks, logos, insignias, trade dress, emblems, brand identity items, copyrighted materials, commercial symbols and other indicia of origin that Franchisor authorizes for use now or later.

Franchisor reserves the right to substitute or adopt new or different Marks for use in identifying the System and the related business operations, or to change the Marks in Franchisor's sole discretion. Franchisee shall implement all substituted, new or changed Marks for use in identifying the System and the related business operations at Franchisee's sole cost and expense within the time period set forth in the notice of such change from Franchisor.

Franchisor is the owner of and has adopted and used, and continues to use, the "Waxxpot®" service mark and other Marks in connection with its System. Franchisor claims common law rights to the "Brows to Brazilian™" service mark and the other Marks in connection with its System.

3.2 Consent to Use Marks: Franchisee shall not use any other trademark than those authorized to be used by Franchisor. Franchisee further acknowledges that only Franchisor and its designated franchisees and other licensees have the right to use the Marks along with all ancillary signs, symbols or other indicia used in connection with such Marks. Franchisee shall not contest, directly or indirectly, Franchisor's ownership, title, right or interest in the Marks, or Franchisor's sole right to register, use or license others to use the Marks. Franchisee shall not interfere with, or attempt to prohibit, the use of the Marks by any other existing or future franchisee of Franchisor. Franchisee agrees to execute such papers and documents, and to provide assurances deemed reasonably necessary by Franchisor to effectuate this purpose and

agrees to fully cooperate with Franchisor in securing all necessary and required consents of any state agency or legal authority for the use of the service mark "Waxxpot®" or any other trademark that is or becomes a part of the System.

3.3 Litigation Involving Marks: Franchisee agrees to promptly notify Franchisor in writing of any unauthorized use of the Marks that comes to Franchisee's attention. Franchisor shall have the sole right and discretion to bring or defend trademark or trade dress infringement or unfair competition proceedings involving the Marks. Franchisee agrees to execute any and all documents and do such acts and things as may be, in the opinion of counsel for Franchisor, necessary to carry out the proceedings brought by or against Franchisor. Franchisee shall notify Franchisor in writing within five (5) days of the receipt of notice of the commencement of any litigation instituted by any person, governmental agency or other entity against Franchisee involving the Marks.

3.4 Manner of Using Marks: Without first obtaining Franchisor's written consent, Franchisee agrees not to use any other trade names, service marks or trademarks other than the Marks. Franchisee shall use Franchisor's Marks licensed to Franchisee by this Agreement only in such ways as are permitted by this Agreement and by the Confidential Operations Manual or other written notice provided by Franchisor from time to time. Franchisee agrees to use Franchisor's Marks only in connection with products and services that Franchisor has authorized in writing. Franchisee cannot use the Marks with modifying words, designs or symbols without express written permission from Franchisor or in connection with the sale of unauthorized products or services or in any other manner not authorized in writing by Franchisor. For purposes of preserving the validity and integrity of the Marks, and assuring their proper usage and their representation of the proper quality of the System, Franchisor and its agents may at all reasonable times, enter and inspect the Franchise Unit without prior notice. Such inspection shall include, without limitation, observing Franchisee's operation, conferring with Franchisee's employees, tenants and tenants' clients and inspecting whether Franchisee is complying with the System and Confidential Operations Manual. Franchisee may not assign, sublicense, or transfer in any manner its right to use the Marks. Franchisee shall not use its name or any other name in conjunction with any of the Marks unless previously approved in writing by Franchisor. Franchisor may change or modify the System presently identified by the Marks. Franchisee must accept, use, and display any such changes in the System at Franchisee's sole cost. Franchisor reserves the right to adopt new Marks at any time or to change its existing Marks. If Franchisor adopts new Marks or changes its existing Marks, Franchisee shall use the new or modified Marks, and discontinue the use of any Marks Franchisor decides to change or discontinue, at Franchisee's sole expense. Immediately upon expiration of this Agreement, Franchisee shall stop using the Marks and shall return or destroy all documents, instructions, displays, paper products, advertising items, and other materials bearing any of the Marks.

3.5 Goodwill: Franchisee acknowledges that valuable goodwill is attached to the Marks and that it will use the Marks solely in the manner prescribed by Franchisor. So as to preserve that goodwill, Franchisee agrees to operate the Franchise Unit using the Marks in accordance with operational standards established by Franchisor from time to time, including fully complying with the requirements of the Confidential Operations Manual, as amended from time to time. Franchisee acknowledges and agrees that all goodwill associated with the Marks,

including any goodwill that might be deemed to have arisen through Franchisee's activities, inures directly and exclusively to the benefit of Franchisor, except as otherwise provided in this Agreement or by applicable law.

3.6 Subject to Existing Use: Franchisor's grant to Franchisee of the right and license to use the Marks is subject to any use of a name or Marks by another person in Franchisee's marketing area that existed before Franchisee's using the Marks and which may conflict with Franchisee's use of any of the Marks.

3.7 Permitted Business Name: Franchisee shall at all times represent itself as an independent contractor using its formal entity name only and shall not identify itself with any governmental agency or to the general public as The Waxxpot Group Franchise, LLC or any of our affiliates' names or just by the name "Waxxpot" except in accord with the Franchisor's guidelines. However, Franchisee may refer to itself as "*e.g. XYX Corp, an independent franchisee of The Waxxpot Group Franchise, LLC"* No part of the Marks nor any words similar to them shall, without Franchisor's prior written approval, be included in any trade name utilized by Franchisee or by any corporation, partnership or other entity in which Franchisee may, at any time, have any direct or indirect interest. *See also Sections 7.18 and 14 of this Agreement.*

3.8 Discontinuance of Use of Marks: If it becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue use of any Marks, Franchisee agrees, at Franchisee's sole cost and expense, to comply with Franchisor's directions to modify or otherwise discontinue the use of such Marks within the time period specified in the notice received from Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs Franchisee incurs in connection with such modification or discontinuance.

3.9 Electronic Identifiers; Text; Email: You shall not, without Franchisor's consent, use the Marks or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name or other identification of the Franchise Unit in any electronic medium. You must use, and use only, the e-mail address and other identifiers that Franchisor designates in connection with the business of the Franchise Unit. You shall not transmit or cause any other party to transmit advertisements or solicitations by e-mail, text or other electronic media without first obtaining Franchisor's written consent as to: (a) the content of such advertisements or solicitations; and (b) your plan for transmitting such advertisements or solicitations. You shall not transmit or cause others to transmit advertisements or solicitations on the Internet, including, but not limited to, search engine and social media marketing (*e.g.* Google, Facebook, Instagram, Twitter, YouTube, Snapchat, and other similar sites). In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of
Non-Solicited Pornography and Marketing Act of 2003 (known as the CAN-SPAM Act of 2003).

4 FEES, ACCOUNTING, AND REPORTS

4.1 Franchise Fee: In consideration of the license granted by Franchisor, Franchisee shall pay, at the time of the execution of this Agreement, an initial franchise fee of $39,900 (the

"Initial Franchise Fee"). The Initial Franchise Fee is not refundable, except if either Franchisee or Franchisee's designated Principal Owner or Principal Operator (as the case may be) fails to complete our training program to our sole satisfaction. If this occurs, Franchisor may cancel this Agreement and refund your Initial Franchise Fee, less any amounts (a) paid or incurred by us or our affiliates to third parties including, real estate site evaluation vendors, training vendors, lawyers, accountant, and the like, and (b) payable to us or our affiliates for services provided for the development of your Franchise Unit or for training you and your management team.

4.2 Royalty Fee: Franchisee shall pay Franchisor a weekly Royalty Fee (the "Royalty Fee") of $100 or 6% of the prior week's Net Sales of the Franchise Unit, whichever amount is greater.

A. For the purposes of this Agreement, "Net Sales" means the aggregate of (1) all revenue from the sale of products and services, gift certificates, gift cards, series sales, memberships, cancellation fees and other sources of revenue whether made for cash, credit, debit, charge account, check, exchange, or other valuable consideration, regardless of where such sales originated from, and without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of your franchise minus credits for the redemption value of prepaid service(s) or products through, including but not limited to, membership programs, series of service purchases, packages, gift certificates and gift cards, (2) all monies, trade value (including the value of goods or services received from a barter exchange) or other things of value that you receive from your franchise operations at, in, or from the franchise premises that are not expressly excluded from Net Sales, and (3) business interruption insurance proceeds. Net Sales does not include: (1) monies received directly by your Aesthetician Specialists in the form of tips or gratuities, (2) the exchange of merchandise between Waxxpot® franchise locations (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the franchise premises, (3) returns to shippers, vendors, or manufacturers,,
(4) sales of fixtures or furniture after being used in the conduct of the Franchised Business, (5) cash refunds, credit refunds, and other monetary allowances issued in good faith for transactions included within Net Sales (limited, however, to the selling price of the service and / or product returned by the purchaser and accepted by you), (6) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority by you. If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or state income taxes we or our

affiliates have to pay.

B. The Royalty Fee shall be payable weekly on Wednesday of each week upon the prior week's Net Sales of the Franchise Unit or $100, whichever is greater and as hereinafter provided in this Article.

4.3 Branding Fund: Franchisee is required to contribute weekly 2% of the prior week's Net Sales of the Franchise Unit to Franchisor's Branding Fund. The Branding Fund Fee shall be payable weekly on Wednesday of each week upon the prior week's Net Sales of the Franchise Unit. There is no local advertising requirement but Franchisee is encouraged to make advertising expenditures in its local market as it determines to be effective.

Franchisee may not advertise in any media with a primary circulation outside Franchisee's Designated Area, except with Franchisor's written consent and with the reasonable consent of any franchisee whose territory is reached by the media. However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Designated Area, with Franchisor's prior approval, even if it also reaches outside Franchisee's Designated Area. All Internet marketing (including search-engine marketing and social media marketing) is a part of Multi-Area Marketing Programs, and must be coordinated through and approved by Franchisor. You may not market independently on the Internet or acquire an independent Internet domain name or Web site, or social media site (e.g. handle) but Franchisor will include Franchisee's Franchise location information on its Web site. Commencing no sooner than April 1, 2021, Franchisor may periodically increase the Branding Fund Contribution; provided that the Branding Fund Contribution will not exceed 3% of weekly Net Sales.

Franchisor accounts for the contributions to the Fund separately from our other revenue, and we do not use Fund contributions to pay any of our general operating expenses other than our costs of administering the Fund, including salaries and overhead in administering the Fund. The purpose of the Fund is to develop marketing and advertising programs that benefit the Waxxpot® brand. This means Franchisor may use monies in the Fund for any purpose that promotes our name or Marks, including the creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail, online and other media advertising; in-house staff assistance and related administrative costs; local and regional promotions; public relations campaigns including the cost of retaining public relations firms; market research; and other advertising and marketing activities, including participating at trade shows. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, electronic and online advertising, radio or television. Franchisor does not guarantee that advertising expenditures from the Branding Fund will benefit Franchisee or any other franchisee directly, on a pro rata basis, or at all.

Franchisor has a marketing department, and we also work with national, regional and local agencies. It is our responsibility to determine how these monies are spent. Franchisor is not required to use monies in the Fund to benefit any individual market, or on a pro rata or other

basis. However, Franchisor will not spend any portion of these monies for advertising principally designed to solicit the sale of franchises.

Franchisor may reimburse itself, our authorized representatives or our affiliates from the Branding Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Branding Fund. Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fund earns will be used for advertising and marketing before we use any principal. At your request, we will make available to you an annual accounting for the Branding Fund that shows how the Fund proceeds were spent for the previous year, but these statements will not be audited. Franchisor reserves the right to transfer Branding Fund fees paid to us to our affiliate, The Waxxpot Group Marketing, LLC for accounting and segregation of funds purposes.

Our company-owned locations contribute to the Branding Fund at the same percentage rate as franchisees.

4.4 Technology Fee: In addition to the contributions required in Section 4.3, hereof, Franchisee is also required to contribute weekly 1% of prior week's Net Sales of the Franchise Unit as a Technology Fee. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on the first business day of the month your franchise opens for business. The Technology Fee supports your Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise) and the Waxxpot® web site, maintenance and its updates. The Technology Fee also supports research, plans and development of technology to improve processes. The Technology Fee shall be payable weekly on Wednesday of each week upon the prior week's Net Sales of the Franchise Unit.

Franchisor accounts for the contributions of the Technology Fee separately from our other revenue, and we do not use Fee contributions to pay any of our general operating expenses other than our costs of administering the Fee, including salaries and overhead in administering the Fee. The purpose of the Fee is to provide infrastructure technology services (email domains and hosting, web site maintenance and updates and support the Waxxpot Extranet) and develop technology programs and plans that benefit the Waxxpot® brand, improve the customer experience and optimize operational processes. This means Franchisor may use monies in the Fee for any purpose including the evaluation, creation, licensing, production of technology systems including POS (Point-of-Sale Systems), Marketing Automation, CRM, Voice/SMS/Email systems and processes, data warehousing, data reporting, work flow, interactive training, communications platforms and file sharing.

The Technology Fee may focus on customer-facing technology, franchisee facing technology or franchisor to franchisee technology, of Franchisor's choice. Franchisor does not guarantee that technology expenditures from the Technology Fee will benefit you or any other franchisee directly, on a pro rata basis, or at all.

Franchisor has a technology department, and we also work with national, regional and local technology services firms. It is our responsibility to determine how these monies are spent. Franchisor is not required to use monies in the Fund to benefit any individual market, or on a pro rata or other basis. However, Franchisor will not spend any portion of these monies for technology principally designed to solicit the sale of franchises.

Franchisor may reimburse itself, our authorized representatives or our affiliates from the Technology Fee for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Technology Fee. Any unused funds in any calendar year will be applied to the following year's funds. Any interest the Fee earns will be used for Technology reasonable expenditures before we use any principal. At your request, Franchisor will make available to you an annual accounting for the Technology Fee that shows how the proceeds were spent for the previous year, but these statements will not be audited. Franchisor reserves the right to transfer Technology Fees paid to us to our affiliate, The Waxxpot Group Technology, LLC for accounting and segregation of funds purposes.

Our company-owned locations contribute to the Technology Fund at the same percentage rate as franchisees.

4.5 Grand Opening Advertising: Franchisee shall spend $20,000 on the advertising and promotion of the Franchise Unit including, without limitation, Internet marketing, newspaper, direct mail, print advertising, promotional items, and other media in between the time period from signing the Lease for the Franchise Unit and 45 days after opening of the Franchise Unit ("Grand Opening Advertising"). Franchisee shall conduct the Grand Opening Advertising in accordance with the specifications set forth in the Operating Manuals and with the guidance of the approved vendor. Franchisee shall submit to Franchisor a Grand Opening marketing plan, in accordance with the requirements set forth in the Confidential Operations Manual or as otherwise required by Franchisor, ninety (90) days prior to the Franchise Unit's opening for business. All Grand Opening Advertising expenditures must obtain Franchisor's prior approval. Franchisee must pay the Branding Fund fee to Franchisor at all times.

4.6 Reports and Due Date: Franchisee will report to Franchisor each Monday its Net Sales for the previous week in a form prescribed by Franchisor. If Franchisee fails to report its Net Sales on a timely basis, Franchisor may estimate Franchisee's Net Sales to prepare a provisional estimate for billing purposes for that period. On Monday of each week, Franchisee will pre-authorize the transmission of all funds for all amounts due to Franchisor for Franchisee's Royalty Fee, the Branding Fund, and the Technology Fees and

other amounts due to Franchisor for the previous week and Franchisor will utilize the electronic funds transfer authorized by the Debit Authorization Form obtained from Franchisee to debit Franchisee's account for the amounts due either pursuant to Franchisee's report or Franchisor' estimate. Franchisor is not required to issue an invoice or other billing. Any unpaid Royalty Fee, Technology Fee or Branding Fund fees or other amounts past due and owing to Franchisor will bear interest at the rate of 12% per annum or the maximum rate permitted by law, whichever is less. Franchisee will pay Franchisor for any and all costs Franchisor incurs in collecting unpaid and past due Royalty Fee, Technology Fee or Branding Fund fees, including reasonable attorneys' fees. Nothing herein shall be construed so as to waive Franchisor's right to declare a default and possible termination if Franchisor elects to require an alternative delayed payment structure (in its sole and absolute discretion). Nor, shall such action waive any of Franchisor's rights with regard to any future defaults.

4.7 Payment of Fees: Franchisee will promptly execute and deliver to Franchisor appropriate pre-authorized check forms (or such other instruments or drafts that Franchisor's bank requires) payable against Franchisee's bank account, so that Franchisor may electronically collect (draft on Franchisee's account by electronic withdrawal) the Royalty, Technology Fee, and the Branding Fund fees due under this Article by Wednesday of each week. You must execute three (3) ACH Authorization Forms for i) the Waxxpot Group Franchise, LLC, ii) the Waxxpot Group Distribution, LLC, and iii) the Waxxpot Group Marketing, LLC, which is attached hereto as Exhibit 5 to the Franchise Agreement.

4.8 Financial Statements: Within 120 days after the end of each fiscal year, Franchisee must, at Franchisee's expense, submit to Franchisor, financial statements, a profit and loss statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements for Franchisee with a separate annual report for the Franchise Unit. Such financial statements shall be certified by an officer of Franchisee (or a partner if Franchisee is a partnership; or a member if Franchisee is a limited liability company) to be true and correct to the best of their knowledge after due diligence. Franchisor requires annual financial statements be provided to Franchisor. Franchisee must send Franchisor an activity report and a profit and loss statement for the preceding calendar quarter in a form approved by Franchisor on or before the 28th day after the end of each calendar quarter.

If revenue from the sale of merchandise or services by Franchisee is subject to state sales tax or other similar tax, Franchisee must submit monthly sales tax returns to Franchisor at the same time as Franchisee submits such sales tax returns to the State Treasury Department or other taxing authority. Franchisee shall submit its annual tax returns for federal, state and local taxes to Franchisor at the same time as Franchisee submits such tax returns to the taxing authority.

Franchisee must submit such other periodic reports, forms and records as specified from time to time in writing by Franchisor in the Confidential Operations Manual or otherwise. Franchisee shall record all sales as required by the Confidential Operations Manual. Franchisor reserves the right to independently electronically access Franchisee's sales or other financial information recorded by Franchisee. Franchisee consents to Franchisor's independent electronic access to any and all financial information relate to the Franchise Unit.

4.9 Inspection of Records – Audit: Franchisee must retain during the term of this

Agreement and for three (3) years thereafter all books and records related to the Franchise Unit, including, without limitation, sales checks, purchase orders, invoices, payroll records, customer-lists, customer records, including intake, liability and waiver forms, check stubs, sales tax records and returns, other tax returns, cash receipts, and disbursement journals and general ledgers. Franchisor, its certified public accountants or other duly authorized agent, shall have the right at all reasonable times to inspect and make copies of Franchisee's books, records and tax returns at Franchisor's expense. Franchisee agrees to keep complete and accurate books and records of its operation of the Franchise Unit in accordance with the standard accounting system described in the Operating Manuals. If any audit or investigation discloses a deficiency in the computation of the total actual Net Sales made at the Franchise Unit from that reported to Franchisor to any extent of at least 2% for any reporting period, Franchisee shall bear the reasonable expenses of the audit and investigation.

Regardless of the amount of the understatement, Franchisee will pay all Royalty Fees, Branding Fund fees and Technology Fees that would have been paid on the amount of the deficiency had it been properly reported, plus interest at the rate specified in this Article, which shall be paid in the same manner as the Royalty Fees, Branding Fund fees and Technology Fees.

4.10 Interest: All amounts payable by Franchisee to Franchisor, its affiliates or designees, whether or not pursuant to this Agreement that are late shall bear interest at the rate of 12% per annum or, if a lower maximum contract rate is required by applicable law, then at the maximum rate permitted by such law, which interest shall be computed from the due date to the date paid. All amounts paid shall be first applied to interest, and the balance to principal.

4.11 Required Accounting Services: The accounting and bookkeeping function of Franchisee shall conform to the uniform system of accounting and document retention as prescribed by Franchisor. By executing this Agreement, Franchisee waives any accountant-client privilege and consents to allow Franchisee's accounting firm to disclose directly to Franchisor information required to be disclosed by Franchisee to Franchisor. Franchisee will be billed directly by the accounting firm for services rendered and Franchisee will directly pay the accounting firm for such services in accordance with the applicable terms of payment. Neither Franchisor nor any affiliate derives any income from Franchisee's accounting firm as a result of any accounting relationship. Franchisor does not currently have electronic access to Franchisee's financial information. However Franchisee acknowledges that Franchisor has the right, at any time in Franchisor's sole discretion, to require Franchisee to use proprietary software which will allow Franchisor electronic access to the financial information relating to the Franchise Unit.

5 OBLIGATIONS OF FRANCHISOR

Except as discussed below, Franchisor need not provide any assistance to Franchisee. Further, Franchisor is not obligated to perform these services to your particular level of satisfaction, but rather as a function of Franchisor's experience, knowledge and judgment.

5.1 Confidential Operations Manual: Franchisor agrees to loan Franchisee one copy of its Confidential Operations Manual and/or to make a copy available to Franchisee through

electronic delivery such as via Franchisor's Extranet. Franchisor may amend and revise the Confidential Operations Manual from time to time in its sole discretion.

5.2 Site Selection: Franchisee is solely responsible for locating a site for the Franchise Unit and negotiating a lease for the property. Franchisor must give its approval for the site before Franchisee enters into a lease or purchase contract. The evaluation process will consider population density, traffic patterns, and proximity of the proposed franchise to any other Waxxpot®-branded locations, or any other reasonable criteria, which Franchisor deems necessary and relevant. Franchisor must approve or disapprove your site within thirty (30) days after we receive notice of the proposed site from you. We may still provide you with certain site selection assistance as we deem appropriate and also visit one proposed site for your franchise at no extra cost. If we need to visit additional sites for prospective sites for your franchise beyond the first visit, then you must pay us for our site selection assistance at an hourly rate of $300 and also pay or reimburse us the out-of-pocket expenses that we incur in providing the site selection assistance, including costs of transportation, lodging, and meals. Franchisor may reject any site in its sole discretion, but consent will not be unreasonably withheld. However, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. Franchisor may terminate this agreement if Franchisee does not propose a site which is approved by Franchisor within six (6) months of the execution of this Agreement.

5.3 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment, fixtures, inventory, and supplies required to be used in the Franchise Unit, as may be provided elsewhere in this Agreement or in the Confidential Operations Manual. From time to time, Franchisor may provide certain standards for the equipment, fixtures, inventory, and supplies required to be used in the Franchise Unit. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so, and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion. Franchisor will provide Franchisee with advertising and marketing materials templates which may include, but are not limited to, video, multimedia, digital advertising materials, print-ready advertising materials, posters, banners, service menus and other items. Franchisee must purchase advertising and marketing materials from Franchisor's approved vendors. Franchisee may develop and produce advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising and marketing materials, without cost, developed by Franchisee and providing the advertising to other franchisees

5.4 Initial Training: Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate Initial training will occur within a reasonable time after you sign your lease but generally no later than 10 weeks before the your planned opening. Franchisor provides two training programs: Initial Management Training Program and Initial Aesthetician Training Program. Franchisor will provide the initial training programs at its corporate headquarters, or at another franchise designated by Franchisor.

Initial Management Training Program

The Initial Management Training Program is required for the Franchisee, the Principal

Owner, a Principal Operator, if any, or one additional individual. Franchisee, the Principal Owner and a Principal Operator (if any) must attend and satisfactorily complete the initial training program. The Initial Management Training Program is typically conducted for approximately 55 hours over five (5) days, and consists of training on the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise.

Initial Aesthetician Training Program

Before the opening of your location, all aestheticians that you employ must attend and complete, to our satisfaction, our 5-day Initial Aesthetician Training Program and obtain our certification.
Franchisor will train any additional aestheticians you wish to participate at the same time at your location or at another location Franchisor designates in your region, at no charge to you. The Initial Aesthetician Training Program is typically conducted for approximately 40 hours over five (5) days, and consists of training on the System, the Waxxpot® culture, services provided to guests, service protocols, and hands-on training.

For both training programs, Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. During the first six months after your location opens, Franchisor will train additional aestheticians at no additional cost. After that time, you must pay $500 per day for Initial Aesthetician Training. Franchisee is responsible for the cost of all reasonable travel related expenses of our training staff including reasonable travel, lodging, and dining expenses for these individuals.

5.5 Ongoing Training: Franchisor reserves the right to hold and require Franchisee (and its Principal Owner and Principal Operator, if any) to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, technology, and advertising and marketing programs. Franchisee is required to pay a conference fee even if Franchisee fails to attend. Franchisee must pay all personal travel and living expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate location chosen by Franchisor.

5.6 Opening and Continuing Assistance: Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor' representative.

5.7 Advertising and Promotional Programs: Franchisor will provide advertising and promotional programs as set forth in Article 5.3.

5.8 Development of Programs: Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new designs and service methods to Franchisee on terms reasonably determined by Franchisor.

5.9 Modification of System: Franchisor will periodically continue to improve,

modify, and revise the Confidential Operations Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Article 5.1. Franchisee is required to accept and implement any such improvements, modifications and revisions.

5.10 Central Purchasing: Franchisor reserves the right to implement a centralized purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

5.11 Sale of Wax and Soothe: At Franchisee's cost, Franchisor (through its affiliate The Waxxpot Group Distribution, LLC) will provide an ongoing supply of its proprietary Soft Wax and Soothe to meet Franchisees requirements. Currently, The Waxxpot Group Distribution, LLC is the sole supplier of our proprietary Soft Wax and Soothe. Franchisee must purchase its supply of proprietary Soft Wax and Soothe from The Waxxpot Group Distribution, LLC at the then-current prices which are subject to change during the term of this Agreement.

5.12 Web Site and Technology: Franchisor will provide information regarding Franchisee's Franchise Unit on its Web site. Franchisee is required to pay the Technology Fee currently equal to 1% of weekly Net Sales. However, it is our current policy to charge you no more than $25 per week as the Technology Fee. For example, if 1% of your Net Sales for the previous week exceeds $25, we will only charge you a maximum of $25 for that week. We can change this policy at any time, and we plan to review the maximum amount payable in December of each year. You will start paying the fee on a weekly basis, commencing with the first business day of the month your franchise opens for business.

Franchisor provides support for Franchisee's Waxxpot® Extranet, email hosting (3 Waxxpot® email addresses per Franchise), and the maintenance of the Waxxpot® web site, and its updates.

The Technology Fee also helps to develop technology programs and plans that benefit the Waxxpot® brand, improve the customer experience and optimize operational processes. This means we may use monies from the Fee for any purpose including the evaluation, creation, licensing, production of technology systems including POS (Point-of-Sale Systems), Marketing Automation, CRM, Voice / SMS / Email systems and processes, data warehousing, data reporting, work flow, interactive training, communications platforms and file sharing.

Franchisor may increase the Technology Fee upon written notice to Franchisee.

5.13 Construction Plans and Assistance: Franchisor will provide certain items for Franchisee's construction/remodeling of the Franchise Unit, including proto-type floor plans, layout and design plans and information, compliance drawings, a list of our approved suppliers for the Waxxpot® Design Package, which includes the components you will need to build out location, and general contractor guidance for sequencing of events and procedures that must be followed in building out and equipping your location. Franchisor or its' representatives reserve the right to conduct onsite inspections during the construction process. Franchisee must use our approved and preferred vendors as set forth in our Confidential Operations Manual. If Franchisee

chooses an alternate vendor(s), Franchisee shall submit the name and qualifications of the proposed vendor(s) to Franchisor for approval and Franchisor shall have 45 days to approve or disapprove of any selection.

6 CONSTRUCTION AND MAINTENANCE OF FRANCHISE UNIT

6.1 Franchise Construction: Franchisee must construct or convert a building and equip the Franchise Unit, at Franchisee's expense, in a good and workmanlike manner as specified by Franchisor. All interior designs, construction or conversion work must be completed in accordance with the standards and specifications of Franchisor, and must conform to all applicable zoning and other requirements of local authorities. Construction or conversion must begin by the earlier of three (3) months from the date of execution of the Franchise's lease, or nine (9) months from the date of this Agreement. Franchisor will approve or disapprove the plans within thirty (30) days of submission

6.2 Property: Franchisee may purchase or lease the required real property and improvements from any source upon terms approved by Franchisor in writing at the sole discretion of Franchisor. Franchisee must deliver to Franchisor the detailed site evaluation packet. Franchisor will assist Franchisee in completing same. The detailed site evaluation package together with the site survey completed by the Franchisor-approved architect must be available for review at least thirty (30) days before any proposed lease signing date. Franchisee must deliver to Franchisor a copy of the proposed lease and an option to assume the lease signed by the lessor in favor of Franchisor in a form acceptable to Franchisor. If Franchisor assists Franchisee in negotiating the lease or negotiating Franchisor's required option to assume the lease, Franchisor may charge Franchisee a lease negotiation fee based on our time involved for which we charge $300 per hour.

6.3 Lease Riders: If Franchisee leases the Premises, the lease must contain the following provisions:

A. on termination of this Agreement for any reason, Franchisor or its designee will have the option for thirty (30) days to assume Franchisee's remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment; or Franchisor will have the right to execute a new lease for the remaining term on the same terms and conditions;

B. all notices of default to Franchisee under the lease must be sent contemporaneously to Franchisor;

C. in the event Franchisee defaults under the lease, Franchisor or its designee will have an opportunity, but not the obligation, to cure such default and to assume Franchisee's remaining obligations under the lease, but will not have any obligation to do so; and

D. a provision reserving to Franchisor the right, at Franchisor's sole and

absolute election, to receive an assignment of the leasehold interest from Franchisee upon termination or expiration of the initial term or any renewal term, or any termination of Franchisee, and the right to reassign the lease without becoming liable on the lease and without further approval from the landlord or additional charge.

6.4 Maintenance and Upgrades: Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise Unit's physical facilities, including the layout of furnishings and fixtures. Franchisee must maintain the Franchise and any parking areas in good and safe condition, as specified in the Confidential Operations Manual. Franchisee must remodel or upgrade the Franchise Unit at its own cost in accordance with Franchisor's reasonable standards and requests. All such work shall be completed no later than nine (9) months from the date of the notice from Franchisor of the need to perform maintenance or upgrades.

7 OBLIGATIONS OF FRANCHISEE

7.1 Compliance with Laws. Franchisee shall comply with all federal, state and local governmental laws, ordinances and regulations which may in any way regulate or affect the operation of its Franchise Unit, including without limitation the acquisition of all required permits, certificates and licenses, the performance of any obligation required by such permit, certificate or license, and the prompt payment of all taxes and business expenses. If Franchisee receives notice from any federal, state or local unit of government that it is not in compliance with some federal, state or local governmental laws, ordinances, regulations or rules, Franchisee shall immediately provide notice of such violation to Franchisor.

Franchisee represents, warrants and covenants to Franchisor that (1) neither Franchisee, nor any individual or entity owning directly or indirectly any interest of Franchisee (if Franchisee is a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), The USA Patriot Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any governmental authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as later supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities ("OFAC Laws and Regulations") or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither Franchisee nor any individual or entity owning directly or indirectly any interest of Franchisee or their respective affiliates or the funding sources for any of the

foregoing, (a) is under investigation by any government authority for, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any action under these laws; (3) neither Franchisee nor any individual or entity owning directly or indirectly any interest of Franchisee or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a country that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) Franchisee has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations; and (5) Franchisee shall take all reasonable measures to continue compliance with all OFAC laws and regulations during the term of this Agreement.

7.2 Confidential Operations Manual: Franchisee acknowledges that the Confidential Operations Manual is an integral part of the System. At all times, Franchisee shall have secure website access or electronic access to an updated copy of the Confidential Operations Manual on the Franchisor's Extranet. Franchisee shall, at all times during the term of this Agreement, operate its Franchise Unit in compliance with the Confidential Operations Manual, as amended from time to time. The foregoing notwithstanding, should access to the Extranet be unavailable due to a temporary technical problem, Franchisor shall not be held liable for Franchisee's inability to access the Confidential Operations Manual. The Confidential Operations Manual continues to be the property of Franchisor during the term of this Agreement. Except as specifically directed and authorized by Franchisor, Franchisee agrees not to reproduce all or any part of the Confidential Operations Manual. Franchisee understands that the Confidential Operations Manual contains trade secrets and proprietary information of Franchisor, and, except as specifically directed and approved by Franchisor, Franchisee agrees not to disclose the contents of the Confidential Operations Manual to anyone not employed by Franchisee. Franchisee further agrees and warrants not to disclose the contents of the Confidential Operations Manual to any employee of Franchisee except on a "need-to-know" basis. Upon the termination of this Agreement, Franchisee shall return to Franchisor all copies of the Confidential Operations Manual and verify that Franchisee has not retained any version of the Confidential Operations Manual (hard-copies or electronic copies). In the event of any dispute as to the contents of the Confidential Operations Manual, the master copy in Franchisor's possession shall control. Franchisor may modify the Confidential Operations Manual unilaterally under any conditions.

7.3 Inspections: Franchisee consents to inspections of the Franchise Unit, from time to time, by agents or other representatives of Franchisor to determine Franchisee's compliance with Franchisor's System. Franchisee must achieve a particular score or grade on such inspections as provided in the Confidential Operations Manual. If the Franchise Unit does not pass the inspections, a follow up inspection shall be conducted within thirty (30) days. Franchisee shall be responsible for all costs and expenses related to any re-inspection, inclusive of travel and lodging expenses and time charged at $300 per hour. Failure to achieve satisfactory scores or grades will result in the issuance of a default notice under Article 9 of this Agreement. Franchisee also consents to a system performance review to grade and evaluate the compliance with Franchisor's System. Franchisor organizes and implements these system performance review programs. Franchisor's Confidential Operations Manual specifically discloses the criteria used in the inspections and review, and also specify Franchisor's expectations for Franchisee's performance.

Franchisee shall promptly provide Franchisor with copies of all inspections performed by any governmental unit, such as, without limitation, the Health Department, police or fire departments, and professional licensing. Any deficiencies or violations noted in any such inspections shall be immediately cured by Franchisee. Failure to so cure will result in the issuance of a default notice under Article 9.2 of this Agreement.

7.4 Approved Products and Supplies: Franchisee is prohibited from offering services of products not authorized by Franchisor as being a part of the System. Franchisee shall purchase equipment, supplies, and use the designs provided by Franchisor for the operation of the Franchise Unit from suppliers designated or approved by Franchisor. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Franchise Unit which are not previously approved by Franchisor, or meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval, however, in order to make such determination, Franchisor may require submission of the proposed product, design specifications, information of such equipment and supplies and may require the payment of a fee of $500 to $1,000 to defray the cost of inspection. Franchisor will advise Franchisee within 45 days whether such equipment and beauty supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Confidential Operations Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Franchise Unit.

7.5 Limitations on Supply Obligations: Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 4.11.

7.6 Insurance: Franchisee must keep in force insurance policies as prescribed by Franchisor in the Confidential Operations Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include, (a) professional liability insurance, and (b) general liability, combined single limit, bodily injury and property damage insurance for premises operations and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, employees and agents, as additional named insureds against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Franchise Unit. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of

all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

7.7 Operating Standards: Franchisee must operate the Franchise Unit in accordance with the System and the Confidential Operations Manual, as amended by us in our discretion. This shall include, but not be limited to the following:

A. **Manner of Operating**. Franchisee or a fully trained and qualified Principal Owner or Principal Operator approved by Franchisor must participate personally and full-time in the Franchise Unit. Franchisee must comply with the System, the Confidential Operations Manual, and all systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Confidential Operations Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including references to the Franchise Unit, equipment, and/or procedures shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the Franchise Unit in the future; however, these concepts will be complementary.

B. **Appearance and Customer Service**. Franchisee and its employees shall
(i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Franchise Unit in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor.

C. **Signs**. All signs to be used on or in connection with the Franchise Unit must be approved in writing by Franchisor prior to their use by Franchisee.

D. **Correction of Defects**. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Franchise Unit, Franchisee shall correct

within the time period for correcting same set forth in the notice from Franchisor. Franchisee shall establish and maintain an image and reputation for the Franchise Unit consistent with the standards set forth in this Agreement, the Confidential Operations Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Franchise clean and in good order and repair at all times.

E. **Principal Owner**. Franchisee must designate a Principal Owner for the Franchise Unit. The Principal Owner will devote his or her full time to the operation of Franchisee's Franchise Unit(s), will be responsible for the day to day operations of the Franchise Unit, must own at least five percent (5%) of the equity of Franchisee, must satisfactorily complete the training program required by Franchisor or have been otherwise certified or approved by Franchisor as meeting Franchisor's minimum qualifications, cannot have an interest or business relationship with any of Franchisor's business competitors, and must maintain his or her primary residence within twenty-five (25) miles of the Franchise Unit. The duties of the Principal Owner may be delegated to a Principal Operator approved by Franchisor, provided the Principal Operator fulfills all the duties listed above. A Principal Operator is not required to have an equity interest in the franchise.

7.8 Agreements with Regard to Franchise: Franchisee (if Franchisee is an individual), all shareholders, partners, or members (if Franchisee is a corporation, partnership or limited liability company), all officers, directors, its Principal Owner, Principal Operator (if any), managers, and any other employee having access to the confidential and proprietary information of Franchisor shall be required to execute a confidentiality and non-disclosure agreement and covenant not to compete in a form acceptable to Franchisor. Franchisee (if Franchisee is an individual), all shareholders, partners, or members who are principal owners, as hereinafter defined, (if Franchisee is a corporation, partnership or limited liability company) Franchisee must personally guarantee the performance of the Franchisee under this Agreement.(the "Agreement of Owners of Franchise"). For purposes of this Agreement, a "Principal Owner" of a corporation, partnership, limited liability company or other business entity which entity is the Franchisee herein, shall be any person that owns or controls (by right to vote or otherwise) five percent (5%) of the ownership or voting interests of the business entity.

7.9 Advertising and Marketing Materials: Where such advertising, marketing, and promotional materials were not obtained from Franchisor, Franchisee shall submit for approval to Franchisor all proposed advertising, marketing or promotional materials, or any signs or other materials containing any of the Marks and that Franchisee wants to use in conjunction with the operation of its Franchise Unit. Franchisee shall not publish or disseminate to the public any such materials until it receives written approval from Franchisor. Franchisor shall not, by its approval of any proposed advertisement, marketing or promotional material, assume any responsibility for the contents of such advertising, marketing, and promotional materials. Franchisee agrees to indemnify and hold harmless Franchisor from any claims, demands, liability, costs and expenses incurred by Franchisor

that arise from the use of any such advertising or promotional materials.

Franchisee is prohibited from engaging in any activity with reference to the Internet, world-wide web, or any other publicly accessible computer network that would advertise, market or display information about the Franchisee, Franchisor, or the System, which prohibition includes, but is not limited to social media marketing sites such as Facebook, Twitter and the like and search engine sites including, but not limited to, Google, Bing, and the like. Franchisor reserves the right to exclusively use this medium for advertising, marketing or promotion of Franchisor, all of Franchisor's franchisees and the System. Franchisor may organize a web-based marketing program and make your participation mandatory. The web-based marketing program may consist of activities such as, without limitation, email database marketing, text marketing, and other programs implemented in the Confidential Operations Manual. Franchisor further reserves the exclusive right to market and sell trademarked items, equipment and beauty supplies on this medium and has no obligation to account for or share profits with Franchisee.

Franchisee shall prominently display, at its own expense, in and upon its Franchise Unit, advertising signs of such nature, form, color, number, location, and size, and containing such legends as Franchisor requires from time to time. Franchisee shall not display in or on the premises of its Franchise Unit any sign or advertising material of any kind to which Franchisor objects.

Franchisee will participate in all system-wide promotional programs designated by Franchisor.

7.10 Indemnification: See Article 13 below in this Agreement.

7.11 Computer Systems: Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Confidential Operations Manual. Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services. Franchisor will have the right to independently access all information and financial data recorded by the computer system for daily polling, audit and sales verification, and database development. There are no contractual limitations to Franchisors right to access the information and data recorded by your system. Franchisee is to install and maintain a hardware and software firewall device on your computer system that follows closely to the Payment Card Industry (PCI) DSS merchant requirements as stated on the http://www.pcisecuritystandards.org.

7.12 Computer Problems, Viruses, and Attacks: Franchisee acknowledges and understands that computer systems are vulnerable to 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. Franchisor has take reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from

these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

7.13 Hazardous Materials: Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or transported to or from the Franchise Unit or any of Franchisee's vehicles except as necessary for Franchisee's operation of the Franchise Unit and in accordance with the Confidential Operations Manual. Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. Franchisor will not be liable for any of these activities. Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard

7.14 Business Organization: If Franchisee is (at any time) a business organization (like a corporation, limited liability company or partnership), Franchisee agrees and represents that:

A. Franchisee has the authority to execute, deliver and perform Franchisee's obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of Franchisee's incorporation or formation;

B. Franchisee's organizational or governing documents will recite that the issuance and transfer of any ownership interests in Franchisee are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to the restrictions of this Agreement;

C. Exhibit 2 to this Agreement will completely and accurately describe all of Franchisee's owners and their interests in the Franchisee;

D. Franchisee and its owners agree to revise Exhibit 2 as may be necessary to reflect any ownership changes and to furnish such other information about its organization or formation as Franchisor may request;

E. Each of Franchisee's Owners must sign and deliver to Franchisor its standard form of Agreement of Owners of Franchise, undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between Franchisee and

Franchisor; and

F. At Franchisor's request, Franchisee will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Franchisee's owners and its agents (like articles of incorporation or organization and partnership, operating or shareholder agreements).

G. The business organization organizational documents clearly indicate that any rights to transfer ownership rights in the business organization are limited by the terms and conditions of this Agreement.

7.15 Restrictions for Transfer to Corporations: If Franchisee is a corporation, or any of Franchisee's rights under this Agreement are properly transferred to a corporation under this Agreement, a condition to Franchisor's approval of such a transfer shall be Franchisee's placement of the following notation regarding transfer restrictions on all certificates (then issued and issued in the future) representing shares of stock in the corporation:

"This certificate and all rights hereunder and the transfer thereof are subject to the terms and conditions of a certain written agreement entered into with The Waxxpot Group Franchise, LLC."

Franchisee and its shareholders or members shall take all actions necessary to comply with this provision, and provide Franchisor with evidence of such actions in a form satisfactory to Franchisor. Further, so long as the corporate Franchisee continues to own rights under this Agreement, Franchisee shall take no corporate action which would cause the stock transfer notification to be removed from existing stock certificates or omitted from stock certificates issued in the future.

7.16 Information to Franchisor: To facilitate market and System development and improvement, Franchisee shall promptly supply Franchisor with such information (in addition to that otherwise provided for in this Agreement) as may be reasonably requested by Franchisor.

7.17 Notice of Lawsuits: Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding, in any court, agency, arbitration venue, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee's operations. Franchisee shall notify Franchisor within five (5) days of the issuance of any judgment, arbitration, decision, opinion or order of any court, agency or other governmental instrumentality that may adversely affect or limit in any fashion the operation or financial condition of Franchisee's operation.

7.18 Independent Contractor: Franchisee shall not attempt to pledge Franchisor's credit or purport to bind Franchisor to any obligation, nor shall it hold itself out as being authorized to do so. Also, Franchisee shall indicate that it is an independent contractor of Franchisor in all its letterheads, business forms, and other materials used in the operation of its Franchise Unit as required by Article 3.7 of this Agreement. Nothing in this Agreement or

any other document related to the relationship between Franchisee and Franchisor, including, without limitation, Franchisor's Confidential Operations Manual or other agreements, shall be construed to create any type of agency or fiduciary relationship between Franchisee and Franchisor. Franchisee and Franchisor each specifically disclaim any agency or fiduciary relationship between them. All employees hired by or working for Franchisee shall be the employees of Franchisee and no employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing herein contained shall be construed to create a partnership, joint venture, or agency between Franchisee and Franchisor or establish Franchisor as a joint-employer of Franchisee's employees, agents, contractors or representatives. Franchisor does not hire, fire, discipline, or control your employees, and nothing in the Disclosure Document, this Franchise Agreement or any agreement creates a joint-employment arrangement or relationship with your employees. Franchisee also acknowledges that it is impossible for Franchisor to treat franchises in the System identically and further acknowledges that Franchisor can and may, in its sole discretion, treat Franchisee differently from other franchisees in the enforcement of Franchise Agreement terms and conditions and System standards.

7.19 Telephone Number and Internet Listing Assignment: Franchisee shall execute a telephone number and Internet listings assignment used by Franchisee in its advertising and promotion, at the time of the execution of this Agreement, and at any later time as Franchisor shall request. The assignment shall be in a form provided or approved by Franchisor and shall provide that the assignment of the telephone number and Internet listings and shall be effective only upon the expiration (without renewal) or termination of this Agreement, and the assignment of this Agreement without the telephone number and Internet listings being assigned to the transferee. Internet listings include Google My Business, Yelp, Google Maps, Bing locations, etc.

8 MANUAL AND CONFIDENTIAL INFORMATION

8.1 Confidential Operations Manual and Confidential Information: The System, the Confidential Operations Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

A. fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;

B. disclose such information to its employees only to the extent necessary to market and for the operation of the Franchise Unit in accordance with this Agreement;

C. not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and

D. exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security

procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

8.2 Standards and Authorized Use: Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

8.3 Unauthorized Use: Franchisee must not copy or otherwise reproduce any Confidential Information, and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

8.4 Confidential Operations Manual: Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's Confidential Operations Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is Confidential Information of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement.

8.5 Nondisclosure and Non-competition Agreements: Franchisee and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members and Principal Operator and Aestheticians shall execute Franchisor's standard Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete (Exhibit F attached to the Franchise Disclosure Document) before performing any work at the Franchise Unit or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution.

8.6 Ownership of Business Records: Franchisee acknowledges and agrees that the Franchisor has access to all business records with respect to employees, and other service professionals of, and related to, the operation of the Franchise Unit including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, social media "handles," tenant records, and all other records contained in the database, and all other Franchise Unit Records created and maintained by Franchisee for evaluation and research purposes only. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or

cancellation of this Agreement, Franchisor may access such Franchise Unit Records, and may utilize, transfer, or analyze such Franchise Unit Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. This will in no way cause harm to Franchisee's business.

9 BREACH AND TERMINATION

9.1 Automatic Termination without Notice: This Agreement shall terminate without notice to Franchisee upon the occurrence of any of the following events, but in no event shall such termination relieve Franchisee of any of its obligations under this Agreement nor shall Franchisor waive any of its rights under this agreement:

A. The filing by or against Franchisee of any proceeding under the Bankruptcy Code;

B. A plan of liquidation, reorganization, composition or arrangement of Franchisee's affairs is sought to be instituted for or against Franchisee, under State or Federal law, whether or not the same is subsequently approved by a court of competent jurisdiction;

C. The appointment of a receiver for Franchisee by any court of competent jurisdiction;

D. Franchisee makes a general assignment for the benefit of creditors; Any execution, attachment or other creditors' process issued against Franchisee or any of Franchisee's assets.

9.2 Termination upon Notice: Franchisor may terminate this Agreement by written notice, without opportunity to cure, upon the occurrence of any of the following:

A. The Franchisee breaches the same or a similar provision of this Agreement or the Confidential Operations Manual three or more separate times in any twelve (12) month period;

B. Franchisee fails to pay Franchisor for obligations under this Agreement, except that, in the event this is the first such breach in the twelve month period immediately preceding the breach, said breach shall be considered a breach under Section 9.3 (A) which can be cured within thirty (30) days from the date of the delivery of the notice of the breach.

C. The condition or operation of the Franchise Unit is, in the reasonable opinion of Franchisor, a threat or danger to public health or safety;

D. Franchisee fails to satisfy any judgment against Franchisee within thirty (30) days after the judgment is entered and becomes final;

E. Franchisee falsifies any report required to be furnished Franchisor;

F. Franchisee ceases to do business at the Franchise Unit;

G. The Franchise Unit is rendered inoperable by any casualty and Franchisee fails to restore the Franchise Unit to full operation within a reasonable period of time but not more than two hundred ten (210) days from the date of such casualty;

H. Franchisee receives an order from any regulatory body ordering Franchisee to cease business or sell the Franchise Unit or return any license that is material to the operation of the Franchise Unit, or any such license expires;

I. Franchisee remains in default beyond the applicable cure period under any other agreement with Franchisor;

J. Franchisee misuses any of the Marks;

K. Franchisee is convicted of a felony;

L. Any of Franchisee's Principal Owners is proven to have engaged in fraudulent conduct, or is convicted of, or pleads guilty or no-contest to a felony or a crime involving moral turpitude, or any other crime or offense that is reasonably likely to have an adverse effect on the chain, the Marks or the goodwill associated therewith; provided that if the act or conviction involves any of Franchisee's Principal Owners, we will not terminate the Franchise if you notify us promptly after you learn of the event constituting the default, and within 15 days of the date of the notice, either
(i) the person or entity that committed the wrongful act divests his, her or its entire interest in the entity that owns the Franchise Unit, or (ii) you obtain our consent for such owner to maintain his, her, or its ownership interest;

M. Franchisee transfers any interest in the Franchise Unit without the prior written consent of Franchisor;

N. Franchisee abandons the Franchise Unit.

O. An event of default shall arise under any other agreement Franchisee has with Franchisor or any of its affiliates where Franchisee has no opportunity to cure.

P. Franchisee fails to timely renew the lease for the approved site for the renewal term of this Agreement.

Upon the occurrence of any of the above events, Franchisor shall mail a notice to Franchisee indicating that this Agreement is terminated. Notice of Termination under this Article shall be mailed in accordance with Article 18 of this Agreement. Franchisor has the discretion to immediately exercise any option available to Franchisor on the day that notice is deemed to be received as provided in Article 18.4.

9.3 Termination with Opportunity to Cure: Upon the occurrence of any of the following events, Franchisor shall give Franchisee a written notice of default in the manner provided for in Article 18 of this Agreement and, if Franchisee fails to cure all events of default specified in the notice of default within thirty (30) days from the date of delivery of the notice, Franchisor may, by written notice of termination to Franchisee, terminate this Agreement effective upon the date such notice is delivered, or deemed delivered, to Franchisee as provided in Article 18 of this Agreement:

A. Franchisee breaches this Agreement or any provision of the Confidential Operations Manual in any respect or defaults in the performance or fulfillment of any term or provision in this Agreement or the Confidential Operations Manual;

B. Franchise Unit is closed for a period of two (2) or more consecutive days without the prior written approval of Franchisor, except for circumstances clearly beyond Franchisee's control;

C. Franchisee fails to select a location for the Franchise Unit that receives Franchisor's approval within six (6) months immediately following Franchisee's execution of this Agreement;

D. Franchisee fails to have established and opened up to the public its Franchise Unit within twelve (12) calendar months following the month in which this Agreement commences. Franchisor's right to terminate this Agreement upon the expiration of the twelve (12) months may be stayed by Franchisee if (i) Franchisee has the Franchised Unit substantially under construction (meaning for purposes of this Article that Franchisee has spent at least $50,000 in hard construction costs, excluding permitting and other soft costs), by the end of the twelfth (12th) month following the month in which this Agreement commences, and (ii) Franchisee pays to Franchisor $3,500 on or before the fifth (5th) day of each of the next four (4) months (commencing with the thirteenth (13th) month after the month in which this Agreement commences) in which Franchisee has not established and opened its Franchise Unit by the first day of each such month; provided however, that Franchisor shall have the unconditional right to terminate this Agreement if Franchisee has not established and opened its Franchise Unit by the end of the sixteenth (16th) month following the month in which this Agreement commences;

E. Franchisee fails to obtain Franchisor's prior written approval to a sale,

transfer, or other action as required by Article 11.2 of this Agreement;

F. Franchisee fails to maintain the active services of a Franchisor-approved Principal Owner or Principal Operator for its Unit, as required by this Agreement, for any period of sixty (60) consecutive days;

G. Any guarantor of Franchisee's obligations under this Agreement dies, becomes disabled, bankrupt, or the guarantor's ability to guaranty Franchisee's obligations under this Agreement is limited for any reason, or the guarantor discontinues or tries to limit the guarantor's liability under the guarantee.

H. An event of default arises under any other agreement Franchisee or Franchisee's affiliate has with Franchisor under which Franchisee has an opportunity to cure and Franchisee fails to cure that event of default within the time specified in that agreement, in which case the cure period under this Agreement shall be deemed to expire at the same time as the cure period of the agreement under which the event of default arose.

I. If the event allowing termination by Franchisor is not capable of being cured, then this Agreement shall automatically terminate upon the date that written notice of default, is delivered, or deemed delivered, to Franchisee pursuant to Article 18 of this Agreement.

9.4 Termination Following Failure to Achieve Acceptable Evaluation on Periodic Inspection: Franchisor intends to make an inspection of the Franchise Unit periodically to evaluate Franchisee's compliance with the System, this Agreement, and the Confidential Operations Manual. Franchisor shall communicate the results of each inspection to Franchisee. If Franchisee fails to obtain an acceptable evaluation in the inspection, Franchisor may notify Franchisee that Franchisee must correct the unacceptable conditions disclosed by the inspection within thirty (30) days.

If Franchisor makes a second inspection (at Franchisee's sole cost and expense) following expiration of the thirty (30) day period, and Franchisee fails to obtain an acceptable evaluation on the second inspection, that failure shall constitute a default under this Agreement. Franchisor may then notify Franchisee that Franchisee is in default and that this Agreement will terminate if Franchisee does not obtain an acceptable evaluation on a third inspection to be made following the expiration of 30 days after such notice.

If Franchisor makes a third inspection (at Franchisee's sole cost and expense) following the expiration of this thirty (30) day period, and Franchisee fails to obtain an acceptable evaluation on the third inspection, this Agreement shall terminate on the date that written notice of default is delivered, or deemed delivered, to Franchisee pursuant to Article 18 of this Agreement.

Notwithstanding the above, if Franchisee has received from Franchisor three or more notices of default and opportunities to cure under this Article for the same or similar defaults within the previous twelve (12) months, then Franchisor may send Franchisee a notice of termination without any additional opportunity to correct the default.

10 OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION

Upon termination or expiration without renewal, Franchisee shall cease to be a licensed Franchisee of Franchisor and shall:

10.1 Immediately pay to Franchisor all Royalty Fees, Branding Fund fees, and any other amounts owed or accrued to Franchisor, whether owing under the terms of this Agreement or otherwise.

10.2 Discontinue representing itself as being a Franchisee of Franchisor and stop using all of the Marks, confidential or proprietary information or any other materials or promotional materials provided or licensed to Franchisee by Franchisor. Franchisee shall take all necessary steps to disassociate itself from Franchisor, including, without limitation, de-branding the premises, both interior and exterior, from Franchisor by, among other things, repainting, destruction of stationery, changing of telephone and Internet listings and the like unless they are transferred to a new Franchisee or Franchisor. Franchisee, at Franchisee's sole cost and expense, shall return to Franchisor (1) all proprietary equipment; (2) subject to the provisions of Section 10.5, all signage, including, without limitation, all outdoor signage, whether signage is on a pole, wall, awning, etc., all exterior awnings, all interior signage, such as, without limitation, all door signage, and similar items. Franchisee shall not include in any advertisement or other public representation any reference to Franchisor or any other Mark. Franchisee shall take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any Mark, and Franchisee shall furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within the 10 calendar days after the termination, expiration without renewal, or transfer of this Agreement.

10.3 Return to Franchisor the Confidential Operations Manual, and all training and promotional aids, unless they are transferred to a new Waxxpot® Franchisee with the transfer of this Agreement, subject to Franchisor’s approval.

10.4 Permit Franchisor to make final inspection of Franchisee's financial records, books, tax returns and other accounting records at any time, after reasonable notice, within the three (3) year period following the effective date of termination, expiration without renewal, or transfer.

10.5 Refrain from removing any furniture, fixtures, equipment, or other property or leasehold improvements from the Franchise Unit for a period of thirty (30) days following such termination or expiration without renewal of this Agreement and provide Franchisor the option to purchase the furniture, fixtures, equipment or other property or leasehold improvements or anything individually at the price of original cost less depreciation, payable in cash by Franchisor at a reasonable time following Franchisee's closing.

10.6 Provide Franchisor with evidence satisfactory to Franchisor of compliance with each of these obligations within thirty (30) calendar days of termination or expiration.

10.7 If Franchisor exercises its option to acquire the real estate associated with Franchise Unit, either through purchase pursuant to the Real Estate Option to Purchase or by assuming the lease pursuant to the Real Estate Lease Rider, Franchisor may purchase all or some of the assets used in connection with the Franchise Unit's operation. The purchase price for each asset acquired shall be original cost less depreciation, payable in cash by Franchisor at a reasonable time following Franchisee's closing. Further, if Franchisor exercises its option to acquire the Franchise Unit, Franchisor shall have the immediate right to occupy the premises, commence to operate the store and require Franchisee to vacate. Franchisee grants Franchisor an option to acquire all rights and assume all obligations remaining under any equipment leases. This option shall be exercised in the same manner that Franchisor is required to exercise its option as to the real estate. If Franchisor exercises its option to acquire the real estate associated with the Franchise Unit, either through purchase pursuant to the Real Estate Option to Purchase or by assuming the lease pursuant to the Real Estate Lease Rider, pending the closing of such purchase, Franchisor shall have the right to appoint a manager to maintain the operation of the Franchise Unit, for your account, during such interim. All expenses of the Franchise Unit, including compensation, travel and living expenses, and other costs of the appointed manager, and a reasonable per diem fee for our administration expenses, shall be charged to you. Operation of the Franchise Unit during any such period shall be for you and on your behalf. The appointed manager shall have the duty to use his or her best efforts in the management of the Franchise Unit and neither we nor the appointed manager shall be liable to you or your owners for any debts, losses, liabilities or obligations incurred by the Franchise Unit during any period in which it is managed by our appointed manager. Alternatively, we may require you to close the Franchise Unit during such time period without removing any assets from the Franchise Unit. You shall maintain in force, at your expense, all insurance policies required pursuant to this Agreement, until the closing of the sale.

10.8 If the purchase price (as defined in Section 10.7) of any assets Franchisor elects to acquire cannot be agreed upon between the parties within thirty (30) days following the termination or expiration without renewal of this Agreement, Franchisor shall select and pay for the services of a qualified appraiser to establish the fair market value thereof, and a copy of said appraisal will be provided to Franchisee. If the value is not agreed to by the parties within ten (10) days after Franchisee's receipt of the appraisal, Franchisee may select and pay for the services of a qualified appraiser to appraise the property within fifteen (15) days after the expiration of such ten (10) day period. If Franchisee fails to select an appraiser within the fifteen (15) day period, Franchisee shall be deemed to accept the fair market value of the appraiser selected by Franchisor. Franchisee shall provide Franchisor with a copy of its appraisal. If the value of all of the property is still not agreed to within ten (10) days after the receipt of that appraisal from Franchisee, the two (2) appraisers shall select a third appraiser within the fifteen (15) days thereafter whose determination of fair market value as to the property to which a value has not yet been agreed to shall be final and binding. The cost of the third appraiser shall be paid equally by Franchisor and Franchisee.

10.9 If Franchisor does not exercise its option to acquire the real estate associated with Franchise Unit pursuant to this Agreement, then Franchisor will be entitled to seek recovery of all damages that Franchisor has sustained and will sustain in the future as a result of Franchisee's breach of this Agreement, including all Royalty and Advertising and Promotion Fund Fees and any other amounts payable to Franchisor for the unexpired term of this Agreement.

10.10 Lost Future Royalties – Liquidated damages: We have relied on your promise to fulfill your obligations for the full term of this Agreement. If you terminate this Agreement before its expiration (or as otherwise permitted) we will suffer damages that will be impossible to calculate. Therefore, in addition to any other damages or remedies that we may have at law or equity, you agree to pay us the following damages amount, not as a penalty, but as a reasonable approximation of our damages given the circumstances and our mutual expectations.
"Damages" means the sum of the amounts of the Average Monthly Royalty (as defined below) for each month in the Adjusted Remaining Term (as defined below), calculated for present value using an interest rate of five percent (5%) per annum. "Average Monthly Royalty" means the average monthly royalty required to be paid by you to us during the twenty-four (24) months prior to the effective date of termination (or during the number of months between the date when the Franchise opened for business and the effective date of termination, if less than twenty-four months). "Adjusted Remaining Term" means: (a) one-half (1/2) of the term remaining under this Agreement, or (b) two (2) years, whichever is less. You shall pay us the Liquidated Damages within thirty (30) days following the effective date of the termination of this Agreement.

11 SALES OR TRANSFERS OF THE FRANCHISE

11.1 Transfer by Franchisor: This Agreement and all rights hereunder may be assigned or transferred by Franchisor and shall be binding upon and inure to the benefit of Franchisor's successors and assigns. Franchisor, its officers, directors, shareholders, employees and agents shall not be liable to Franchisee for Franchisor's obligations under this Agreement to be performed prospectively from the date of the assignment or transfer.

11.2 Transfer by Franchisee: As to Franchisee, this Agreement is personal, having been entered into by Franchisor in reliance upon and in consideration of the qualifications and representations of Franchisee. If the Franchisee is a corporation, partnership, or limited liability company, Franchisor entered into this Agreement in reliance upon and in consideration of, without limitation, the qualifications and representations of Franchisee as a corporation, partnership or limited liability company; the identity, qualifications and representations of the Principal Owner; and the identity, qualifications and representations of the principal owners. Therefore, neither this Agreement, in whole or part, nor any ownership interest in Franchisee, nor substantially all the assets of Franchisee or the Franchise Unit may be assigned, transferred, or divided in any manner by Franchisee, or anyone else, without the prior written approval of Franchisor. Likewise no such sale or assignment of any portion of the stock, membership interest or partnership interest in Franchisee be sold or assigned such that the sale or assignment results in a change in the Principal Owner or the addition or deletion of a principal owner of Franchisee. Except as otherwise provided in this Agreement, the transfer of this Franchise Agreement may not be transferred to anyone other than a bona fide purchaser for value. Furthermore, Franchisor's approval of a proposed transfer may be conditioned upon any or all of

the following, in Franchisor's sole discretion:

A. Franchisor's satisfaction with the character, business experience and credit rating of the proposed assignee (and its partners, officers, controlling stockholders or members if it is a partnership, corporation or limited liability company).

B. Payment by Franchisee of all outstanding debts owed by Franchisee to Franchisor.

C. The satisfactory completion of Franchisor's initial training program by the proposed new franchisee and its managers.

D. Payment by Franchisee (or the transferee) to Franchisor of a new owner training fee not to exceed $2,500.

E. Execution by Franchisee of a release of any and all claims against Franchisor, Franchisor's officers, directors, agents, and employees arising out of or related to this Agreement or to any other aspect of the relationship between Franchisee Franchisor, its officers, directors, agents and employees. The release will be in a form similar to the General Release attached to the Franchise Disclosure Document as Exhibit J.

F. Payment, in cash, by Franchisee to Franchisor of a nonrefundable transfer fee of $10,000 plus a new owner training fee not to exceed $2,500.

G. Execution by the assignee or transferee of Franchisor's then current Franchise Agreement, which shall include Royalty Fees, Branding Fund fees and Technology Fees at the same rates as are applicable to new franchisees of Franchisor at the time of the assignment or transfer.

H. Execution by the assignee or transferee, its shareholders, officers, directors, members, managers, employees and other persons associated with assignee or transferee as required by Franchisor, of any related agreements such as, without limitation, Real Estate Option to Purchase, Real Estate Lease Rider, Telephone Number Assignment, Confidentiality and Nondisclosure Agreement and Covenant Not to Compete and Principal Owner's Guaranty, in the form required to be executed by new franchisees at the time of assignment or transfer.

Except as permitted by this subparagraph (11.2) of this Article, any sale of any interest in the Franchisee that results in the change of the Principal Owner or the addition or deletion of a principal owner shall be considered an impermissible transfer under Article 9.3 of this Agreement, unless completed in accordance with this Article. Franchisee consents to Franchisor's releasing to any proposed transferee any information concerning the Franchise Unit

that Franchisee has reported to Franchisor.

11.3 Transfer to Corporation or Limited Liability Company: If Franchisee is an individual or a partnership, Franchisor hereby expressly consents to the assignment of this Agreement to a corporation or a limited liability company formed to operate the Franchise Unit authorized by this Agreement, if it is owned and controlled solely by the principal owners of the unincorporated entity from which the assignment is made, provided the following conditions are satisfied:

A. The assignment does not relieve the original Franchisee of the obligations under this Agreement.

B. The stock certificates or any other documents representing shares or interests in the corporation or limited liability company contain a notation regarding transfer restrictions contained in this Agreement, so long as this Agreement and any extensions hereof remain in effect.

C. The organizational documents otherwise comply with Article 6.

11.4 Death or Incapacity: If Franchisee is an individual, and in the event of the death or mental incapacity of the Franchisee, this Agreement shall terminate at the end of the ninety (90) day period that begins on Franchisee's date of death, or the date that Franchisee is declared to be mentally incompetent by a court of competent jurisdiction pursuant to applicable law, as the case may be; provided that Franchisee's legal representative may attempt to arrange for the transfer of this Agreement during the ninety (90) day period, and such transfer, when presented to Franchisor for approval, will be subject to the terms of Article 11.2, provided that no transfer fee will be payable. If this Agreement is not transferred as permitted within the 90 day period and, as a result, this Agreement automatically terminates, the provisions of Article 9 shall be applicable. If Franchisee is a corporation, partnership or limited liability company, and in the event of the death or mental incapacity of the Principal Owner or principal owner, this Agreement shall terminate at the end of the ninety (90) day period which commences on the date of death of the Principal Owner, or principal owner or the date on which the Principal Owner, or principal owner is declared to be mentally incompetent by a court of competent jurisdiction pursuant to applicable law, as the case may be; provided that the legal representative of the Principal Owner, or principal owner may attempt to arrange for the transfer of the interest in the Franchisee during the 90 day period, and such transfer, when presented to Franchisor for approval, will be subject to the terms of Article 11.2, provided that no transfer fee will be payable. If the interest of the Principal Owner, or principal owner is not transferred as permitted within the ninety (90) day period and, as a result, this Agreement automatically terminates, the provisions of Article 9 shall be applicable.

11.5 Right of First Refusal: Except for transfers contemplated by Article 11.3, Franchisor shall have the right of first refusal with respect to all bona fide written offers to purchase that Franchisee receives for the Franchise Unit. Any time that Franchisee receives a bona fide offer to purchase, Franchisee shall inform Franchisor in writing of all the terms and conditions of the offer and provide Franchisor with a copy of any written offer to purchase. Any

such offer must be in writing and signed by the offeree to be considered bona fide. Franchisor may, within ninety (90) days after receiving the notice of the bona fide offer, notify Franchisee, in writing, of its election to exercise its right to purchase the Franchise Unit on the same terms and conditions as are contained in that offer. If the offer provides for any payments in the form of property other than cash, Franchisor can substitute cash for the fair market value of such property or services. If Franchisor waives or fails to exercise its option, and subject to the conditions contained in Article 11.2, Franchisee can complete the proposed sale or transfer, but only to the bona fide offeree, and only on the same terms and conditions as were disclosed to Franchisor. Such sale must be completed within 90 days after the expiration of Franchisor's option period or, if earlier, the date on which Franchisor waived its option rights in writing.

11.6 Advertising: Franchisee shall not include in any advertisement for the sale of the Franchise Unit established pursuant to this Agreement, or any substantial portion of the real estate or other assets of the Franchise Unit, any reference to "Waxxpot" or Waxxpot®'s Marks or other names licensed to Franchisee.

11.7 Use of Franchise as Collateral: This Agreement, and the Franchisee's rights under this Agreement, may not, under any circumstances, be assigned, transferred or pledged as collateral to any other person or entity (including Franchisee) and no person or entity shall succeed to any rights of Franchisee under this Agreement by virtue of any voluntary or involuntary proceeding in bankruptcy, receivership, attachment, execution, assignment for the benefit of creditors or other legal process. The foregoing, notwithstanding, nothing herein shall be construed so as to prevent Franchisee from pledging the tangible assets of the Franchise Unit as collateral for loans in furtherance of the business.

12 RESTRICTIVE COVENANTS

12.1 Non-Disclosure of Trade Secrets: During the course of this Agreement, Franchisee will learn certain valuable Information from Franchisor that Franchisor considers to be trade secrets, and otherwise confidential and proprietary and Franchisee will develop such Information. The term "Information" shall mean, but shall not be limited to, any and all information concerning the System, including but not limited to all information contained in the Confidential Operations Manual, all memoranda, notes, disks, digital information of any kind, whether from Franchisor's website or otherwise, cost analysis, Marks, copyrights, logos, signage, blueprints, sketches, methods, processes, designs, plans, property, reports and documents, Franchisor's operational, manufacturing, administrative, merchandising, marketing, costing, production and related information, information concerning the business, operations and markets of Franchisor franchise units, and all copies and extracts from such information, prepared by or on behalf of Franchisor or any of its officers, employees, attorneys, representatives, agents or consultants, which is disclosed to or acquired by Franchisee directly or indirectly from Franchisor in the course of activities related to the operation of the Franchise Unit or which is obtained by Franchisee through an inspection of any facility employing Information. This Information gives Franchisor and Franchisee a competitive advantage over those who do not know it and who may compete with Franchisor, its affiliates or its Franchisees by operating a business that may or may not utilize a similar concept.

Accordingly, Franchisee agrees that it and its shareholders, partners, officers, directors, members, Principal Owner, Principal Operator, managers, employees and agents will not, either directly or indirectly, use for its own account or disclose to any other person or entity any such trade secrets or confidential information anywhere in the world during the term of this Agreement and at any time following the termination, or expiration without renewal of this Agreement or the transfer or assignment of this Agreement; provided, however, that during the term of this Agreement, Franchisee may use such Information solely for the purpose of conducting the Franchise Unit in accordance with the provisions of this Agreement, within the Designated Area. Franchisee agrees to maintain the confidentiality of such Information by disclosing to its shareholders, officers, directors, members, Principal Owner, Principal Operator, managers, employees and agents only such information as is required by such person to perform his/her functions in the operation of the Franchise Unit and to cause such persons to maintain the confidentiality of such Information by obtaining from such persons, upon request by Franchisor, written confidentiality and nondisclosure agreements in the form prescribed by Franchisor.

12.2 Non-Compete Agreement:

A. Franchisee acknowledges that the Information disclosed to Franchisee and all other aspects of the System are highly valuable assets of Franchisor, and Franchisee on behalf of itself and its shareholders, partners, officers, directors, members, Principal Owner, Principal Operator and managers (the "Franchisee Group") agrees that the Franchisee Group shall not, without Franchisor's prior written consent of Franchisor (i) during the term of this Agreement, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit Franchisee's name or any part of the name to be used or employed by any person or entity engaged in or concerned with or interested in any a similar business offering the services of facial and body waxing services for men and women and the sale of related products ("Competitive Business"), unless such other business is operated pursuant to a written license or other agreement with Franchisor, and (ii) for a period of two (2) years from the date of assignment, termination, or expiration without renewal, of this Agreement, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or permit Franchisee's name or any part of the name to be used or employed by any person or entity engaged in or concerned with or interested in any Competitive Business within twenty-five (25) miles of the Franchise Unit or any other Franchisor location, unless such other business is operated pursuant to a written license or other agreement with Franchisor. Franchisor may require Franchisee to cause all Franchisee Group members

to execute a written covenant not to compete in a form prescribed by Franchisor.

B. Franchisee also acknowledges and agrees that if any of the Franchisee Group should violate the provisions of Article 12.2 with respect to the operation of a Competitive Business following assignment, expiration or termination of this Agreement, then the period of non-competition shall be extended until two (2) years following the date the violating member of the Franchisee Group ceases all activities that are in violation of such provision.

12.3 Reasonable Restrictions: The Franchisee Group agrees that the restrictions contained in this Article are reasonable and necessary to protect the business interests of Franchisor, which business interests the Franchisee Group acknowledges to be valuable and legitimate.

12.4 Restriction As to Employees: Franchisor and Franchisee mutually agree neither to employ, nor seek to employ, any person who is (or was during the previous one year) employed by the other at a manager-level position or above, without first obtaining the consent of the other. Additionally, Franchisor and Franchisee mutually agree not to induce, directly or indirectly, any such person to leave his or her employment. Franchisee further agrees not to employ any person who is (or was during the previous one (1) year) employed by another Waxxpot® Franchisee or an affiliate of Franchisor at a manager-level position or above, without first obtaining the consent of said employer. Additionally, Franchisee agrees not to induce, directly or indirectly, any such person to leave his or her employment.

12.5 Injunctive Relief: Franchisee acknowledges that it will be difficult to measure accurately the damages to Franchisor from any breach by Franchisee of the covenants and restrictions set forth in Articles 1, 3, 6, 7, 8, 12, or 13, that the injury to Franchisor from any such breach would be incalculable and irremediable, and that damages would not be an adequate remedy. Franchisee agrees that if it shall breach or attempt to breach any of the terms of these Articles of this Agreement, Franchisor shall be entitled as a matter of right to obtain from any court of competent jurisdiction without posting bond or other security, an injunction (i) prohibiting Franchisee from any further breaches of this Agreement, (ii) rescinding any action taken by Franchisee contrary to the terms of this Agreement, and (iii) authorizing Franchisor to recover from Franchisee any and all salaries, fees, commissions, income, profits or other remuneration or gain that Franchisee may have received or to which it may have become entitled to receive by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. Franchisee expressly agrees that Franchisor will not be required to post a bond or other security at any stage of injunctive proceedings, waives any such requirement and authorizes any court of competent jurisdiction to issue an injunction (temporarily, preliminarily or permanently) without bond. The issuance of such an injunction will not prevent Franchisor from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

13 INDEMNIFICATION

13.1 Franchisee shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees"), from all "losses and expenses" (as defined in Article 13.4 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, inquiry (formal or informal), or settlement (whether or not a formal proceeding or action has been instituted) that arises out of or is based on any of the following:

A. The infringement, alleged infringement, or any other violation or alleged violation by Franchisee of any patent, mark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted pursuant to this Agreement);

B. The violation, breach or asserted violation or breach by Franchisee of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

C. Libel, slander or any other form of defamation of Franchisor, the System or any developer or franchisee operating under the System, by Franchisee;

D. The violation or breach by Franchisee of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of any of them; and

E. Acts, errors, or omissions of Franchisee, any of Franchisee's affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them in connection with the establishment and operation of the Franchise Unit, including, but not limited to, any acts, errors or omissions of any of these individuals in the operation of any motor vehicle. The parties understand and agree that Franchisor cannot and does not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, Franchisee or any employee, agent or independent contractor of Franchisee, and that the safe operation of any motor vehicle is Franchisee's responsibility.

F. Assertion of a claim against Indemnitees of vicarious liability, respondent superior, principal/agent or similar theory based on Franchisee's acts or omissions.

13.2 Franchisee agrees to give Franchisor prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of Franchisee, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or associate counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee to indemnify the Indemnitees and to hold them harmless.

13.3 In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

A. Any of the acts or circumstances enumerated in Article 13.1 A - D above have occurred; or

B. Any act, error, or omission as described in Article 13.1 E - F may result directly or indirectly in damage, injury, or harm to any person or any property.

13.4 All losses and expenses incurred under this Article 13 shall be chargeable to and paid by Franchisee pursuant to its obligations of indemnity under this Article, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity, or defense.

As used in this Article 13, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to the Franchisor' reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

13.5 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of any third party with whom Franchisee, Franchisee's affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisee or its affiliates may contract, regardless of the purpose. Franchisee shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of Franchisee, Franchisee's affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisee and its affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

13.6 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from Franchisee by the Indemnitees.

13.7 Franchisee expressly agrees that the terms of this Article 13 shall survive the termination, expiration or transfer of this Agreement or any interest in this Agreement.

13.8 Franchisor shall, at all times, indemnify and hold harmless to the fullest extent permitted by law, Franchisee, successors and assigns, and the officers, directors, shareholders and employees of each of them ("Reciprocal Indemnitees") from all "Franchisee Losses and Expenses" incurred in connection with any third party action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or settlement (whether or not a formal proceeding or action has been instituted), that arises out of or is based upon any of the following:

A. Libel, slander or any other form of defamation of a third party by Franchisor, or any person acting by, for or on behalf of Franchisor; or

B. The intentional or malicious infliction of injury as to any third party by Franchisor.

For purposes of this section, "Franchisee Losses and Expenses" shall include all compensatory damages, costs, legal fees, court costs and expenses incurred in connection with matters indemnified above.

14 RELATIONSHIP OF THE PARTIES

14.1 Status of Franchisee: Franchisee is and shall be an independent contractor and nothing in this Agreement shall be construed so as to create an agency or an employment relationship, a partnership or a joint venture between the parties. Neither party shall act or have the authority to act as agent for the other and neither Franchisee nor Franchisor shall guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. Franchisee is not and shall not hold itself out as being an agent or an employee of, or a partner or joint-venturer with Franchisor. Franchisee will prominently display in its Unit, so that it is clearly visible to the public, a sign or placard stating that the Franchise Unit is independently owned and operated by Franchisee. All employees hired by or working for Franchisee shall be the employees of Franchisee and no employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing herein contained shall be construed to create a partnership, joint venture, or agency between Franchisee and Franchisor or establish Franchisor as a joint-employer of Franchisee's employees, agents, contractors or representatives. Franchisor does not hire, fire, discipline, or control your employees, and nothing in the Disclosure Document, this Franchise Agreement or any agreement creates a joint-employment arrangement or relationship with your employees.

14.2 Public Record of Status: In all public records and in Franchisee's relationships and dealings with all other persons, Franchisee shall indicate that it is an independent business and that it is only a licensee of Franchisor. Franchisee shall prominently indicate on all letterheads, business forms, and the like that it is a licensee of Franchisor by placing thereon language that is in substance the same as the following: "a licensee of The Waxxpot Group Franchise, LLC"

14.3 No Authority to Sub-franchise: Franchisee agrees that it has no authority, express or implied, to sub-franchise others to use Franchisor's System, or to subdivide or grant undivided interests in the rights granted by this Agreement.

15 ATTORNEY FEES AND CONSENT TO INJUNCTION

If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and the claim of Franchisee in such action is denied or the action is dismissed, Franchisor shall be entitled to recover from Franchisee its attorney fees, and all other costs and expenses incurred in defending against the same, and to have such an amount awarded as part of the judgment in the proceeding. If Franchisor institutes any legal action to interpret or enforce the terms and conditions of this Agreement and Franchisor prevails, Franchisor shall be entitled to recover from Franchisee its attorney fees and other costs and expenses in said action.

Franchisee acknowledges that it will be difficult to measure accurately the damages to Franchisor from any breach of Franchisee of the covenants and restrictions set forth in Articles 1, 3, 6, 7, 8, 12, or 13, that the injury to Franchisor from any such breach would be incalculable and irremediable and that damages would not be an adequate remedy. Franchisee agrees that if it shall breach or attempt to breach any of the terms of these Articles of this Agreement, Franchisor shall be entitled as a matter of right to obtain from any court of competent jurisdiction an injunction, without posting bond or other security, (i) prohibiting Franchisee from any further breaches of this Agreement, (ii) rescinding any action taken by Franchisee contrary to the terms of this Agreement, and (iii) authorizing Franchisor to recover from Franchisee any and all salaries, fees, commissions, income, profits or other remuneration or gain that Franchisee may have received or to which it may have become entitled to receive by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. Franchisee expressly agrees that Franchisor will not be required to post a bond or other security at any stage of injunctive proceedings, waives any such requirement and authorizes any court of competent jurisdiction to issue an injunction (temporarily, preliminarily or permanently) without bond. The issuance of such an injunction will not prevent Franchisor from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

16 CONSTRUCTION

16.1 This Agreement, the Exhibits, any addendums attached to this Agreement, the information and representations set forth in the Franchise Disclosure Document presented to Franchisee and the other related agreements between the Franchisee and Franchisor contain all the terms and conditions agreed upon by the parties regarding the subject matter of this Agreement and all prior discussions and agreements are of no further effect. No promises or

representations have been made by Franchisor other than set forth in this Agreement and the Franchise Disclosure Document presented to Franchisee. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by Franchisor and Franchisee. THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT PRESENTED TO THE FRANCHISEE. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

16.2 The term "Franchisee" shall include all persons who succeed to the interest of the original Franchisee by transfer or operation of law and shall be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement but shall also include all partners of the entity that execute this Agreement, if the entity is a partnership, all shareholders, officers and directors of a corporate entity on behalf of which this Agreement is signed, and all members of a limited liability company on behalf of which this Agreement is signed, and these persons acknowledge and accept the duties and obligations imposed by the terms of this Agreement.

16.3 If Franchisee consists of two (2) or more persons or entities, the covenants on the part of Franchisee shall be deemed to be the joint and several covenants of such person.

17 WAIVER OF RIGHTS

Failure by either party to enforce any rights under this Agreement shall not be construed as waiver of such rights. Any waiver, including waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by Franchisor from Franchisee shall not constitute a waiver of any default except as to the payment of the particular payment or performance so received. Notwithstanding the previous provisions, if either party defaults or fails to abide by any of its obligations under this Agreement, the other party must give notice of such failure within three (3) years after such failure occurs, or the aggrieved party shall be deemed to have waived the breach, unless the breach relates to the underreporting or failure to report gross receipts by Franchisee or failure to pay any amounts owing to Franchisor by Franchisee. To the extent similar obligations are required to be performed in the future, a waiver of a past performance shall not preclude the party from insisting on full performance of such obligation in the future.

18 NOTICES

18.1 Any notices to be given hereunder shall be in writing and shall be either delivered personally, by a recognized overnight delivery service (such as Federal Express, Airborne Express or UPS) which requires a written receipt of delivery from the addressee, or by first class, certified or registered mail, with postage fully paid. Any notice to be delivered to Franchisor shall be addressed to:

The Waxxpot Group Franchise, LLC
4211 S. Lamar Blvd. Austin, TX 78704

18.2 Any notice to Franchisee shall be delivered to the address of the Franchise Unit, or to such other address as the Franchisee notifies Franchisor, in writing.

18.3 The address specified for service of notice may be changed at any time by the party making the change by giving written notice to the other party.

18.4 Any notice delivered by mail in the manner specified shall be deemed delivered and received, regardless of whether the notice is signed for by the recipient, two (2) business days (i.e. excluding weekends and legal holidays) after mailing.

19 ENFORCEMENT

19.1 Enforcement by Judicial Process: Franchisor shall have the right to enforce by judicial process its right to receive monies due from Franchisee; to enforce the post-termination provision contained in Article 9; to terminate this Agreement by Franchisor for the causes enumerated in Article 9; to prevent or remedy a material breach of this Agreement by Franchisee if such breach could materially impair the goodwill associated with Franchisor's Names and Marks (including actions with respect to the servicing of wholesale accounts); to enforce the confidentiality provisions of this Agreement; to prevent unapproved transfers or sales as provided in Article 11; to compel specific performance if Franchisor shall exercise any options pursuant to Article 11; and to enforce the non-competition provisions of Article 12 of this Agreement. Franchisor shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, Franchisee agrees that no bond shall be required. If Franchisor is successful in obtaining an injunction or any other relief against Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of commencing and prosecuting the action, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

19.2 Internal Dispute Resolution: Except for actions initiated by Franchisor by judicial process under the terms of Section 19.1 above, the parties (includes Franchisor, Franchisee, Bound Parties or Guarantor) shall agree to meet at a mutually agreeable location to seek to resolve any disagreement or grievance ("Internal Resolution"). Each party shall be represented by an executive-level individual and, in the instance of the Franchisee, at least a majority owner. Internal Resolution of any and all such disputes, claims or disagreements shall be a condition precedent to any other remedy under this Agreement or at law, except as noted above. The Internal Resolution shall occur within thirty (30) days of the service of a notice indicating the nature of the dispute by one of the parties. The parties shall participate in good faith and seek to resolve the dispute. If the dispute cannot be resolved by Internal Resolution, then the parties may proceed to arbitration or judicial process as stated in Section 19.1.

19.3 Arbitration: Except insofar as Franchisor elects to enforce this Agreement by judicial process and injunction as provided above, all disputes and claims between Franchisor and Franchisee, including but not limited to all disputes relating to any provision of this Agreement, to any specification, standard, operating procedure or other obligation of Franchisor or its agents or the breach thereof (including, without limitation, any claim that this Agreement, any provision thereof, any specification, standard, operating procedure or any other obligation of Franchisee or Franchisor is illegal, unenforceable or voidable under any law, ordinance or ruling) shall be settled by binding arbitration administered by the American Arbitration Association pursuant to its Commercial Arbitration Rules. Arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.). A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted at its Columbus, Ohio office. Any arbitrator appointed must have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement. Franchisor and Franchisee acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction.

19.4 Individual Actions Only: Any arbitration proceeding shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis.

19.5 WAIVER OF JURY TRIAL: TO THE EXTENT EITHER PARTY IS PERMITTED TO ENFORCE THIS AGREEMENT BY JUDICIAL PROCESS AND ELECTS TO DO SO, EACH OF THE PARTIES WAIVES ITS RIGHT TO A TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN FRANCHISOR AND FRANCHISEE (INCLUDING ANY OWNERS OR GUARANTORS, IF APPLICABLE, AND INCLUDING ACTIONS INVOLVING AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS OF FRANCHISOR OR FRANCHISEE) FOR BREACH OF THIS AGREEMENT.

19.6 Waiver of Punitive Damages: Franchisor and Franchisee (and the respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and against any affiliates, owners, employees, or agents of the other, and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of actual damages sustained by it and any equitable relief to which it might be entitled.

19.7 Choice of Law; Exclusive Jurisdiction and Venue: Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. Franchisor and Franchisee (and the respective owners,

officers, affiliates and agents, if applicable) each agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts located in Franklin County, Ohio, nor shall any such action be transferred to any other venue. FRANCHISEE UNDERSTANDS THAT THIS CLAUSE COMPELS IT TO LITIGATE IN FRANKLIN COUNTY IN THE STATE OF OHIO, AND FRANCHISEE KNOWINGLY WAIVES ITS RIGHT TO OTHERWISE OBJECT TO THE EXCLUSIVE VENUE. Notwithstanding the foregoing, if Franchisor is permitted to seek injunctive relief under this Agreement, Franchisor may, at its option, bring such action in the county in which the Franchise Unit is located.

19.8 Waiver of Collateral Estoppel: The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between Franchisor and Franchisee. The parties waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

19.9 Limitation of Claims: All claims, except for monies due to Franchisor or Franchisee's performance under this Agreement, arising under this Agreement or from the relationship between the parties are barred unless an action is filed and timely served on the opposing party within one year from the date the party knew or should have known of the facts creating the claim, except to the extent any applicable law or statute provides for a shorter period of time to bring a claim or as otherwise required by law.

20 ACKNOWLEDGMENT

20.1 Franchisee understands and agrees that it is unlawful and a criminal offense to duplicate, reproduce, or electronically transmit to an outside party any copyrighted materials.

_____ Initials

20.2 Franchisee acknowledges that it has conducted an independent investigation of the business licensed by this Agreement, that it has had an adequate opportunity to be advised by advisors of its own choosing regarding all pertinent aspects of this Agreement and the franchise relation created by it, that the business venture contemplated by this Agreement involves business risks, and that the success of the business will be largely dependent upon the abilities and efforts of Franchisee as an independent businessperson or upon the abilities of the Franchisee's principals, if the Franchisee is a business entity. Franchisee understands that Franchisor makes no express or implied warranties or representations, guarantees or assurances

that Franchisee will achieve any degree of success in operation of the Franchise Unit and, while Franchisor will provide Franchisee with training, advice, and consultation as provided in this Agreement, success in the operation depends ultimately on Franchisee and on other factors including, but not limited to, location, marketing, regional tastes and preferences, economic conditions, financial considerations and competition.

_____ Initials

20.3 FRANCHISEE RECOGNIZES THAT FRANCHISOR HAS ENTERED INTO THIS AGREEMENT IN RELIANCE UPON AND IN RECOGNITION OF THE FACT THAT FRANCHISEE AND ITS DESIGNATED PRINCIPAL OWNER SHALL HAVE FULL RESPONSIBILITY FOR THE MANAGEMENT AND OPERATION OF THE Franchise Unit LICENSED BY THIS AGREEMENT, AND THAT THE AMOUNT OF PROFIT OR LOSS RESULTING FROM THE OPERATION OF THE Franchise Unit WILL BE DIRECTLY ATTRIBUTABLE TO THE PERFORMANCE OF FRANCHISEE.

_____ Initials

20.4 All information provided Franchisor in connection with the approval of Franchisee as a Franchisee and the franchise location is truthful and accurate.

_____ Initials

20.5 Franchisee acknowledges that it received Franchisor's Franchise Disclosure Document and a standard form of Franchisor's Franchise Agreement at least fourteen (14) calendar days before the date of its execution by Franchisee and the payment of any fees to Franchisor. Franchisee further acknowledges that it received this Agreement in the form actually executed at least seven calendar days before the date of its execution by Franchisee.

_____ Initials

20.6 Franchisee acknowledges that this Agreement requires arbitration of disputes in Columbus, Ohio; that an exception to this requirement is Franchisor's right to bring a court action for injunctive relief for specified matters; that the exclusive venue and jurisdiction for any court action is any court of competent jurisdiction located in Franklin County, Ohio; and that Franchisor and Franchisee waive the right to a jury, to punitive damages, to collateral estoppel, and to bring multi-plaintiff, consolidated, collective or class-wide actions; and that a one-year statute of limitations applies to claims between the parties subject to specified exceptions.

_____ Initials

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the ___ day of_____, 20___.

THE WAXXPOT GROUP FRANCHISE, LLC

By:_____
(Name)

Its: _____

FRANCHISEE:

Under Ohio law, you, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right (Exhibit 3 attached).

By: _____

Name: _____

Its: _____

EXHIBIT 1
TO THE FRANCHISE AGREEMENT

Section A: Designated Area:

[Describe Designated Area or attach Map]

Section B: Specific Location of Franchise Unit:

[Enter the address and any other descriptive information]

EXHIBIT 2
TO THE FRANCHISE AGREEMENT
BETWEEN THE WAXXPOT GROUP FRANCHISE, LLC

Developer and its Owners

This form must be completed by Franchisee ("you") if you have multiple owners or if you or your business is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on its truth and accuracy in awarding the territory to you.

1. Form of Entity. You are a (check one):

(a)	General Partnership	[ ]
(b)	Corporation	[ ]
(c)	Limited Partnership	[ ]
(d)	Limited Liability Company	[ ]
(e)	Other	[ ]

Specify: _____

You are formed under the laws of_____.

2. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest
_____	_____
_____	_____
_____	_____
_____	_____

3. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of

_____.

This Exhibit "2" is current and complete as of_____, 20____.

FRANCHISEE:

By:_____
Name:_____
Its: _____

EXHIBIT 3
TO THE FRANCHISE AGREEMENT

OHIO NOTICE OF CANCELLATION

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement.

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704 not later than midnight of_____.

I hereby cancel this transaction.

_____
(Purchaser's signature)

Date: _____

OHIO NOTICE OF CANCELLATION

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement.

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704 not later than midnight of_____.

I hereby cancel this transaction.

_____
(Purchaser's signature)

Date: _____

EXHIBIT 4
TO THE FRANCHISE AGREEMENT

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between The Waxxpot Group Franchise, LLC, an Ohio limited liability company ("Franchisor") and _____, a _____ _____ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Amendments.** The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. The collection of initial franchise fees will be deferred until the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business.

4. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	THE WAXXPOT GROUP FRANCHISE, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT 5
TO THE FRANCHISE AGREEMENT

ACH Authorization Forms

Recurring Payment Authorization Form Waxxpot Distribution

Schedule your payments to be automatically deducted from your bank account. Just complete and sign this form to get started!

Here's How Recurring Payments Work:

You authorize regularly scheduled charges to your checking/savings account. You will be charged each billing period for the total amount due for that period. You agree that no prior-notification will be provided if the total payment is under $10,000.

Please complete the information below:

I _____ of _____ authorize Waxxpot Group Distribution, LLC (Waxxpot)

(full name) of (company)

to charge/debit my account indicated below on the third business day after an invoice has been issued for royalties and net activity related to servicing of series sales at locations other than where a series was purchased.

I understand that I will only receive notice of the charge if it exceeds $10,000.

Billing Address _____ Phone#_____

City, State, Zip _____ Email _____

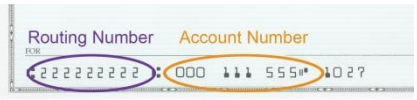
Checking/ Savings Account

☐ Checking ☐ Savings

Name on Acct _____ Bank Name _____

Account Number _____ Bank Routing # _____

Bank City/State _____



SIGNATURE _____ DATE _____

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify Waxxpot in writing of any changes in my account information or termination of this authorization at least 30 days prior to the account no longer being available. If a payment date falsl on a weekend or holiday, I understand that the payments may be executed on the next business day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non Sufficient Funds (NSF) I understand that Waxxpot may at its discretion attempt to process the charge again within 30 days, and agree to an additional $35.00 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this bank account and will not dispute the scheduled transactions with my bank; provided the transactions correspond to the terms indicated in this authorization form.

Recurring Payment
Authorization Form Waxxpot
Franchising

Schedule your payments to be automatically deducted from your bank account. Just complete and sign this form to get started!

Here's How Recurring Payments Work:

You authorize regularly scheduled charges to your checking/savings account. You will be charged each billing period for the total amount due for that period. You agree that no prior-notification will be provided if the total payment is under $2,500.

Please complete the information below:

I _____ of _____ authorize Waxxpot Franchise Group, LLC (Waxxpot)

(full name) of (company)

to charge/debit my account indicated below on the third business day after an invoice has been issued for royalties and net activity related to servicing of series sales at locations other than where a series was purchased.

I understand that I will only receive notice of the charge if it exceeds $2,500.

Billing Address _____ Phone#_____

City, State, Zip _____ Email _____

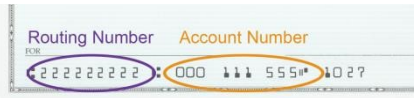
Checking/ Savings Account

☐ Checking ☐ Savings

Name on Acct _____ Bank Name _____

Account Number _____ Bank Routing # _____

Bank City/State _____



SIGNATURE _____ DATE _____

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify Waxxpot in writing of any changes in my account information or termination of this authorization at least 30 days prior to the account no longer being available. If a payment date falsl on a weekend or holiday, I understand that the payments may be executed on the next business day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non Sufficient Funds (NSF) I understand that Waxxpot may at its discretion attempt to process the charge again within 30 days, and agree to an additional $35.00 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this bank account and will not dispute the scheduled transactions with my bank; provided the transactions correspond to the terms indicated in this authorization form.

Recurring Payment Authorization Form Waxxpot Marketing

Schedule your payments to be automatically deducted from your bank account. Just complete and sign this form to get started!

Here's How Recurring Payments Work:

You authorize regularly scheduled charges to your checking/savings account. You will be charged each billing period for the total amount due for that period. You agree that no prior-notification will be provided if the total payment is under $1,000.

Please complete the information below:

I _____ of _____ authorize Waxxpot Group Marketing, LLC (Waxxpot)

(full name) of (company)

to charge/debit my account indicated below on the third business day after an invoice has been issued for royalties and net activity related to servicing of series sales at locations other than where a series was purchased.

I understand that I will only receive notice of the charge if it exceeds $1,000.

Billing Address _____ Phone#_____

City, State, Zip _____ Email _____

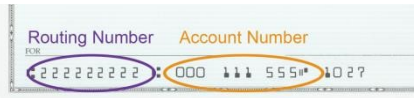
Checking/ Savings Account

☐ Checking ☐ Savings

Name on Acct _____ Bank Name _____

Account Number _____ Bank Routing # _____

Bank City/State _____



SIGNATURE _____ DATE _____

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify Waxxpot in writing of any changes in my account information or termination of this authorization at least 30 days prior to the account no longer being available. If a payment date falsl on a weekend or holiday, I understand that the payments may be executed on the next business day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non Sufficient Funds (NSF) I understand that Waxxpot may at its discretion attempt to process the charge again within 30 days, and agree to an additional $35.00 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this bank account and will not dispute the scheduled transactions with my bank; provided the transactions correspond to the terms indicated in this authorization form.

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

WAXXPOT®

AREA DEVELOPMENT AGREEMENT

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EXHIBITS:

EXHIBIT A: Current List of Principal Owners and Their Interests
EXHIBIT B: Confidentiality, Nondisclosure and Covenant Not to Compete Agreement EXHIBIT C: Developers Organizational Documents and Corporate Resolutions as Required by Article 7.1 (D)
EXHIBIT D: Ohio Notice of Cancellation

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("Agreement") is entered into as of the ____ day of _____, 20___ ("Commencement Date"), by and between The Waxxpot Group Franchise, LLC ("Franchisor"), an Ohio limited liability company, with its principal place of business located at 4211 S. Lamar Blvd., Austin, TX 78704, and _____ ("Developer") with its principal place of business located at _____ and its Principals (as defined herein below),

RECITALS

WHEREAS, Franchisor has developed and owns the System;

WHEREAS, Franchisor intends to identify the System in the Territory with the Proprietary Marks; and

WHEREAS, Developer wishes to obtain certain rights to develop Franchisor sites under the System in the Territory.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments set forth herein, agree as follows:

1 DEFINITIONS

As used in this Agreement the following words and phrases shall have the meanings attributed to them in this Article:

Action - any cause of action, suit, proceeding, claim, demand, investigation or inquiry (whether a formal proceeding or otherwise) asserted or instituted by a third party with respect to which the indemnity described in Article 12 applies.

Affiliate - Any subsidiary or affiliate of The Waxxpot Group Franchise, LLC.

Agreement - this Area Development Agreement.

Appraiser(s) - one or more independent third parties selected by the parties to this Agreement in accordance with the terms and conditions hereof.

Business Days - Each day except Saturday, Sunday and United States Government legal holidays.

Commencement Date - The date given in the introduction of this Agreement.

Competing Business - a similar business offering the services of offering facial and body waxing services for men and women and the sale of related products.

Confidential Information - all data or facts, not available to the public or which do not become available to the public, which data and facts shall include but not be limited to all architectural drawings and plans, memoranda, notes, disks, digital information of any kind, whether from Franchisor's website or otherwise, financial statements, trademarks, trade dress, copyrights, logos, signage, blueprints, sketches, methods, processes, designs, plans, property, reports, documents, analytical tools, business plans, business contacts, information regarding operations, manufacturing, administration, merchandising, marketing, costing, and production information and all extracts and copies thereof prepared by either party or its officers, agents,

employees, attorneys, representatives, or consultants, which when used together as they relate to the System reasonably represent an entity employing the System, which is disclosed to or acquired by Developer directly or indirectly from Franchisor in the course of activities related to the development of a business relationship between Developer and Franchisor, or which is obtained by Developer through an inspection or tour of Franchisor's offices or facilities.

Corporate Training Center – the location for our training as designated by us (currently located in Columbus, Ohio), or at such place(s) as we designate.

Developer Indemnitees - Developer, Principals, and their respective directors, officers, employees, agents, shareholders, affiliates, successors and assigns and the respective directors, officers, employees, agents, shareholders, affiliates, successors and assigns of each.

Development Fee - a fee equal to the sum of the initial Franchise Unit you will be developing first, plus fifty percent (50%) of the initial development fee for the remaining Franchised Units to be developed thereafter pursuant to the Development Schedule.

Development Materials - a description of the Site, a feasibility study (including, without limitation, demographic data, photographs, maps, artists' renderings, site plans, a copy of the Occupancy Contract, and documentation indicating Developer's prospects to acquire the Site) and such other information related to the development of the Site as Franchisor's reasonably requests.

Development Schedule - the schedule pursuant to which Developer shall develop Franchise Units in the Territory (see Article 3.1).

Event of Default - as defined in Article 10.

Franchise Unit - as defined in the Franchise Agreement

Franchise Agreement - an agreement pursuant to which Developer constructs and operates a Franchisor site during the Development Schedule. The Franchise Agreement shall be in a form identical to that required of new franchisees at the time of the execution of the Franchise Agreement except that the Franchise Fee provided for in the Franchise Agreement shall conform to the Franchise Fee amount set forth in Section 4.2 of this agreement.

Franchisee - as defined in the Franchise Agreement.

Franchise Fee - an initial per Franchise Unit location fee (more fully defined in the Franchise Agreement) paid by Developer to Franchisor, which fee varies in accordance with the number of Franchise Units previously developed under each Development Schedule.

Headquarters - the location(s) designated from time to time by Franchisor as its principal place of business.

Indemnitees - Franchisor's Indemnitees and Developer Indemnitees.

Losses and Expenses - all compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable fees of attorneys and other engaged professionals, court costs, settlement amounts, judgments, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described in Article 12.

Franchisor's Indemnitees - Franchisor, its directors, officers, employees, agents, members, affiliates, successors and assigns' and the respective directors, officers, employees, agents, shareholders, members and affiliates of each.

Occupancy Contract - the proposed agreement or document (including, without limitation, any lease, deed, contract for sale, contract for deed, land contract, management contract, license, or other agreement purporting to grant any right, title, or interest in or to the Site) pursuant to which Developer shall occupy or acquire rights in any Site.

Operating Partner - an individual (who has an equity interest in Developer) who is designated as described in Article 5.2. and who shall devote his or her full time and best efforts to the management and supervision of (i) Developer's duties and obligations hereunder; and (ii) the operation of the Franchise Units.

Other Concepts - Any other type of business involving the provision of individual production, distribution or sale of beauty products, services, merchandise or other items that do not use the Proprietary Marks but may utilize some part of or similar components of the System pursuant to which a Franchise Unit is operated.

Owner - the party (if other than the Developer) owning or controlling the Site and being a party (with Developer) to the Occupancy Contract.

Payment(s) - all transfers of funds from Developer to Franchisor required pursuant to this Agreement, including, without limitation, the Development Fee and reimbursement of expenses.

Permanent Disability - any physical, emotional or mental injury, illness or incapacity which would prevent the afflicted person from performing his obligations hereunder for more than 90 consecutive days as determined by a licensed physician selected by Franchisor.

Preliminary Site Consent - written communication from Franchisor to Developer notifying Developer that a proposed site has received the consent of Franchisor.

Principal(s) - the persons listed on Exhibit A, who are (and such other persons or entities to whom Franchisor shall consent from time to time) the record and beneficial owners of, and have the right to vote their respective interests (collectively 100%) in the Securities of Developer or the securities or partnership interest of any person or entity designated by Franchisor which owns or controls a direct or indirect interest in the Securities of the Developer.

Principal Operator - an individual designated by the Developer to perform the duties of the Operating Partner as described in Article 5.2. who shall devote his or her full time and best efforts to the management and supervision of (i) Developer's duties and obligations hereunder; and (ii) the operation of the Franchise Units. A Principal Operator is not required to have an equity interest in Developer.

Project Manager - an individual designated as described in Article 5.3 who shall devote his full-time and best efforts to the coordination and completion of Franchise Unit construction.

Proprietary Marks - certain trademarks, trade names, trade dress, service marks, emblems and indicia of origin designated by Franchisor from time to time for use in connection with the operation of Franchise Units pursuant to the System in the Territory, including, without limitation, “Franchisor”.

Publicly-Held Entity - a corporation or other entity whose equity securities are (i) registered pursuant to applicable law; (ii) widely held by the public; and (iii) traded on a public securities exchange or over the counter pursuant to applicable law.

Representative - an individual, designated as described in Article 5.1 who (i) owns an equity interest in the Developer and (ii) is authorized to act on behalf of, and bind, Developer with respect to this Agreement.

Security - the capital stock of, partner's interest in, or other equity or voting interest in Developer including such interests issued or created subsequent to the date hereof.

Site - the proposed location of any Franchise Unit.

Standards - Franchisor's standards and specifications, as amended from time to time by Franchisor, in its sole discretion, contained in, and being a part of, the Confidential Information pursuant to which Developer shall develop and operate Franchise Units in the Territory.

System - a unique, proprietary system developed and owned by Franchisor (which may be modified or further developed from time to time in Franchisor's sole discretion) for the establishment, development, and operation of businesses offering facial and body waxing services for men and women and the sale of related products and services under the " Waxxpot®" trademark, trade names, service marks and logos, which includes, without limitation, a distinctive image consisting of exterior and interior design, decor, color schemes and furnishings; products, services and specifications; procedures with respect to operations, and management control (including accounting procedures and policies); training and assistance; and advertising and promotional programs.

Term - the duration of this Agreement commencing on the Commencement Date and continuing until the date specified on the Development Schedule for the last Franchise Unit to be opened.

Territorial Expenses - such costs and expenses incurred by or assessed with respect to Franchisor's (or other described party's) employees, agents and/or representatives in connection with activities in the Territory which Developer is obligated to pay pursuant to this Agreement including, without limitation, hotel/lodging, transportation and meals, and other related or incidental expenses.

Territory - the geographical area described and delineated as follows:
_____ (the Territory may be further described in a map attached hereto and signed by both the Area Developer and Franchisor); provided, however, the Territory shall not include any institutions (such as hospitals or schools), airports, airport properties, parks (including theme, entertainment or amusement parks), casinos, and military bases otherwise located within the Territory, nor a specifically identified restricted area surrounding any Franchise Unit located within the Territory as of the date of this Agreement nor shall it be deemed to convey any exclusivity with respect to the use of the Proprietary Marks.

Transfer - the sale, assignment, conveyance, license, devise, bequest, pledge, mortgage or other encumbrance, whether direct or indirect, of (i) this Agreement; (ii) any or all rights or obligations of Developer herein; or (iii) any interest in any Security, including the issuance of any new Securities.

Transferee Owner(s) - the owner of any and all record or beneficial interest in the capital stock of, partner's interest in, or other equity or voting interest in any transferee of a Transfer occurring pursuant to the terms of Article 8.

Wage Expenses - such wages and/or salaries (including a reasonable allocation of the cost of benefits) of, or with respect to, Franchisor's (or other described party's) employees, agents and/or representatives to be reimbursed to Franchisor or such party as described herein.

2 DESIGNATED RIGHTS; TERM

2.1 Franchisor grants to Developer the right, and Developer accepts the obligation, subject to the terms and conditions herein, to develop and operate the number of Franchise Units set forth in the Development Schedule (set forth in Article 3.1) as may be approved by Franchisor in accordance with its then current site consent procedures. We utilize a pack system, where the minimum number of Franchise Units shall be three (3). The Franchise Units shall be developed and operated in the Territory pursuant to the System. For so long as no Event of Default has occurred and is continuing and no event has occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, Franchisor will neither develop, nor authorize any other person or entity to develop, Franchise Units in the Territory during the Term.

2.2 Franchisor reserves the right to use some parts of or similar components of the System in connection with Other Concepts.

2.3 Franchisor expressly reserves the right, and Developer acknowledges that Franchisor has the exclusive unrestricted right, to engage, directly and indirectly, through its employees, developers, franchisees, licensees, agents and others within the Territory, in Other Concepts. Such Other Concepts may compete with Developer directly or indirectly. Developer shall have no rights with respect to Other Concepts.

2.4 Subject to Articles 3 and 4 hereof, Developer shall exercise the rights granted herein for each Franchise Unit by executing, delivering and otherwise performing pursuant to a Franchise Agreement.

2.5 Unless sooner terminated as provided herein, this Agreement shall commence on the Commencement Date and continue until the expiration of the Term. This Agreement shall automatically expire on the date specified in Article 3.1 as the opening date for the last Franchise Unit to be opened. Upon any termination or expiration of this Agreement, (i) Developer shall not develop additional Franchise Units in the Territory pursuant to this Agreement; provided, however, that Developer may complete development of and/or operate Franchise Units for which a Franchise Agreement has been fully executed and Franchisor has received the Franchise Fee, subject to the terms and conditions thereof; and (ii) Franchisor may develop, or authorize others to develop, Franchise Units in the Territory.

3 DEVELOPMENT SCHEDULE; SITE SELECTION; OCCUPANCY CONTRACT; DEVELOPMENT MANUALS

3.1 Developer shall develop, open, commence operation of and continuously operate pursuant to the respective Franchise Agreements a minimum of_____ (___) Franchise Units in the Territory, pursuant to the Development Schedule as follows:

Franchise Unit No.	Date of Preliminary Site Consent	Date Franchise Agreement Signed & Franchise Fees Paid	Date on Which Substantial Progress is Required	Date Open & Operating

A. The Franchise Agreement for each Franchise Unit must be fully executed and all Franchise Fees paid within the time frames set forth in the foregoing Development Schedule.

B. Time is of the essence, with respect to each of the development obligations specified in this Article.

3.2 Each Franchise Unit and the cumulative number of Franchise Units indicated in the Development Schedule shall be open and operating by the date(s) specified therein. Franchisor's consent to any Site or execution of a Franchise Agreement shall not waive, extend or modify the Development Schedule. If the Developer shall: (A) close any location, whether voluntarily or involuntarily; or (B) lose the right to possess the premises, by fire or other casualty, or otherwise, the Developer shall locate and secure a suitable alternative location or premises approved by Franchisor within six (6) months from the closure or loss of possession of the original site, and shall be open for business at the new location not more than twelve (12) months following the closing or loss of possession of the original location. If a suitable alternative location is not secured and opened as hereinabove described, this Agreement and the right of the Developer to develop additional locations under this Agreement shall terminate. The opening of a location in replacement of another location under this Article shall not satisfy the Franchisee's obligation to open locations under Article 3.1 of this Agreement.

3.3 Franchisor makes no representation or warranty as to the number of Franchise Units that can be operated in the Territory. Developer assumes all cost, liability, expense, risk and responsibility for locating, obtaining, and developing Sites for Franchise Units, and for constructing and equipping Franchise Units at such Sites. Prior to execution of each Franchise Agreement, Developer shall obtain Franchisor's consent to each Site pursuant to the time frames set forth in Article 3.1 above in accordance with Franchisor's then existing Site selection criteria and procedures including submission of all Development Materials to Franchisor and with respect to each Franchise Unit to be developed hereunder, completion of one (1) Site visit by Franchisor at Franchisor's sole cost and expense, if required by Franchisor.

3.4 The Franchise Agreement shall be signed and Franchise Fee paid for each Franchise Unit on or before the time designated in the schedule set forth in Article 3.1.

3.5 Neither Franchisor's (i) consent to, nor (ii) assistance in the selection of, any Site shall constitute Franchisor's representation or warranty that a Franchise Unit operated at such Site will be profitable or meet any financial projection.

3.6 Franchisor shall have the right to review and consent to the Occupancy Contract prior to the execution thereof. A copy of the proposed Occupancy Contract shall be provided to Franchisor within forty-five (45) days of the date of Preliminary Site Consent. The Occupancy Contract shall be executed by all necessary parties within thirty (30) days following Franchisor's consent thereto. Developer shall furnish Franchisor a complete copy of the executed Occupancy Contract within ten (10) days after execution. Unless it conveys to Developer fee simple title to

the Site, the Owner shall consent to and execute the Franchisor's standard Real Estate Lease Rider, (a copy of which, executed by Franchisee and Owner, shall be furnished to Franchisee along with the executed Occupancy Contract within ten (10) days after execution), or the Occupancy Contract shall include the following covenants:

A. Reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the occupancy contract upon termination or expiration of the Franchise Agreement;

B. Granting Franchisor the right, at Franchisor's election, to take an automatic assignment of the Occupancy Contract if Developer defaults under the Occupancy Contract;

C. Permitting Developer to assign the Occupancy Contract to Franchisor (and permitting Franchisor to assume the Occupancy Contract at its option) at any time;

D. Requiring the Owner to provide Franchisor all sales and other information Owner may have related to the operation of the Franchise Unit, as Franchisor may request;

E. Requiring the Owner concurrently to provide Franchisor with a copy of any written notice of deficiency under the Occupancy Contract sent to Developer and granting to Franchisor, in its sole discretion, the right (but not the obligation) to cure any deficiency under the Occupancy Contract, should Developer fail to cure such deficiency, within fifteen (15) business days after the expiration of Developer's period to cure any such default;

F. Evidencing Developer's right to display Franchisor's Proprietary Marks in accordance with the specifications required by Franchisor, subject only to the provisions of applicable law; and

G. Requiring that the premises be used for the operation of a Franchise Unit.

H. Owner and Developer shall not amend the Occupancy Contract in any way which is inconsistent with the provisions of Articles 3.6 (A) through (G), inclusive.

3.7 Notwithstanding the terms of Article 3.6, Developer shall:

A. deliver to Franchisor, immediately after delivery to or by Developer, any notice of default under the Occupancy Contract which threatens or purports to terminate the Occupancy Contract or result in a foreclosure thereof;

B. permit Franchisor to enter the Franchise Unit premises to protect the Proprietary Marks or the System or to cure any Event of Default or default under the Occupancy Contract or the applicable Franchise Agreement, allat Developer's expense; and

C. not amend the Occupancy Contract in any way which is inconsistent with the provisions of Articles 3.6, A through H, inclusive.

3.8 If Developer is the Owner, Developer must grant to Franchisor the option to purchase the real estate upon which a Franchise Unit is located (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of a Franchise Agreement or

termination of the Agreement. Any transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly so provided. The terms of the Option rights are detailed in Exhibit G to the Franchise Disclosure Document.

3.9 Developer shall abide by the terms of the Franchise Agreement executed in connection with each site.

3.10 Franchisor shall provide Developer access to an electronic copy of Franchisor's Operations Manual as of the date hereof for the construction of a typical Franchise Unit or Franchisor's then current prototype. Developer acknowledges Franchisor's ownership of the Operations Manual and any such plans and specifications, together with any copyright rights in or to such materials. Developer shall observe Franchisor's reasonable requests concerning copyright notices.

4 FEES AND PAYMENTS

4.1 In consideration of the development rights granted herein, Developer shall pay the Development Fee to Franchisor upon execution of this Agreement. The Development Fee is fully earned when paid. Developer shall not be entitled to any refund of any portion of the Development Fee under any circumstances.

4.2 The Development Fee to be paid by Developer to the Franchisor shall be equal to the sum of the initial Franchise Unit you will be developing first, plus fifty percent (50%) of the initial development fee for the remaining Franchised Units to be developed thereafter. You are committing to opening and developing a minimum of three (3) Franchised Units pursuant to the following fee structure:

- 3 Locations - $37,000 per each location
- 5 Locations - $35,000 per each location
- 10 Locations - $30,000 per each location
- 20+ Locations - $20,000 per each location

4.3 All Payments shall be submitted to Franchisor at the address provided in Article 13 hereof, in care of the "Executive Vice President of Finance," or such other address as Franchisor shall designate in writing. Payments shall be received by Franchisor (i) upon execution hereof in the case of the Development Fee; (ii) upon execution of each Franchise Agreement; and (iii) upon notice for all other Payments. Delinquent Payments shall bear interest from the due date until received by Franchisor at 1.5% per month or the maximum rate permitted by law, whichever is less.

4.4 Developer shall not withhold or off-set any portion of any Payment due to Franchisor's alleged non-performance under this Agreement or any other agreement by and between Franchisor and Developer or their respective parent corporations, subsidiaries or affiliates.

5 REPRESENTATIVE; OPERATING PARTNER; PRINCIPAL OPERATOR; TRAINING

5.1 Developer hereby designates_____as the Representative. Any replacement Representative or Operating Partner shall be designated within ten (10) days of the prior Representative's resignation or termination. The Representative shall be the same individual under each Franchise Agreement. Each Operating Partner, and, if any, Principal Operator shall attend and successfully complete Franchisor's training program at Franchisor's Corporate Training Center within sixty (60) days of appointment (see Article 5.4)

5.2 Developer hereby designates_____as the Operating Partner. Any replacement Operating Partner shall be designated within ten (10) days of the prior Operating Partner's resignation or termination. Each Operating Partner shall attend and successfully complete Franchisor's training program in Columbus, Ohio or at another location designated by Franchisor within sixty (60) days of appointment (see Article 5.4), and must maintain his or her primary residence within twenty five (25) miles of all of Developer's Franchise Units. Franchisee, under the terms of any applicable Franchise Agreement, shall pay the then current training fee with regard to training for replacement any Operating Partners. In lieu of the designation of an Operating Partner, Developer may designate a Principal Operator who must meet all the responsibilities of an Operating Partner.

5.3 Not less than sixty (60) days prior to the commencement of any Franchise Unit construction, Developer shall designate the Project Manager. Any replacement Project Manager shall be designated within ten (10) days of the prior Project Manager's resignation/termination.

5.4 Each Operating Partner and Representative (and Principal Operator, if any), shall be approved by Franchisor and shall have satisfactorily completed the training required by Franchisor and shall be certified or approved by Franchisor as meeting Franchisor's minimum qualifications on an annual basis. Developer shall bear all costs and expenses related to the required training for each Operating Partner, and Representative (and Principal Operator, if any) required in the Franchise Agreement. Franchisor's approval of any Operating Partner, Principal Operator, (if any) or Representative shall not be construed as Franchisor's endorsement of same and shall not be construed by Developer as a representation or warranty by Franchisor that any person accepted or consented to can or will perform the functions of the job for which the person is hired; Developer shall remain solely liable and responsible for all hiring decisions, regardless of Franchisor's approval of any Operating Partner or Representative.

5.5 Franchisor shall provide instructors, facilities and materials for training in Columbus, Ohio or at another location designated by Franchisor, and may provide, at its option, other training programs at locations other than at our Corporate Training Center, or through electronic or web based methods, as may be designated by Franchisor from time to time in the Operations Manual or otherwise in writing. Developer shall reimburse Franchisor for any Territorial Expenses or other direct expenses incurred by Franchisor for such other training programs.

5.6 Franchisor is not obligated to perform its training services to Developer's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor makes no representation or warranty that the person trained can adequately perform the job function to which the person is assigned. Developer acknowledges and accepts all responsibility for the proper job performance of each and every employee.

5.7 Except as provided herein, Developer shall bear all costs and expenses relating to any Representative, Operating Partner, Principal Operator (if any), and Project Manager training.

6 CONFIDENTIAL INFORMATION

6.1 Neither Developer nor any Principal shall communicate, disclose or use any Confidential Information except as (i) permitted herein or (ii) required by law, and shall use all reasonable efforts to maintain such information as secret and confidential. Neither Developer nor any Principal shall, without Franchisor's prior consent, copy, duplicate, record or otherwise

reproduce any Confidential Information. Confidential Information may be provided to employees, agents, consultants and contractors only to the extent necessary for such parties to provide services to Developer. Prior to such disclosure of any Confidential Information, each of such employees, agents, consultants and contractors shall (a) be advised by Developer of the confidential and proprietary nature of the Confidential Information, and (b) agree to be bound by the terms and conditions of Article 6 of this Agreement or the Confidentiality and
Non-Disclosure Agreement and Covenant Not to Compete which is part of the Franchise Agreement documents. Notwithstanding such agreement, Developer shall indemnify the Franchisor Indemnitees from any damages, costs or expenses resulting from or related to any disclosure or use of Confidential Information by its agents, employees, consultants and contractors.

6.2 In the event Developer or Developer's employees, agents, consultants, or contractors receive notice of any request, demand, or order to transfer or disclose all or any portion of the Confidential Information, Developer shall immediately notify Franchisor thereof, and shall fully cooperate with and assist Franchisor in prohibiting or denying any such transfer or disclosure. Should such transfer or disclosure be required by a valid, final, non-appealable court order, Developer shall fully cooperate with and assist Franchisor in protecting the confidentiality of the Confidential Information to the maximum extent permitted by law.

6.3 Developer and each Principal acknowledge Franchisor's exclusive ownership of the Confidential Information, the System, and the Proprietary Marks. Neither Developer nor any Principal shall, directly or indirectly, contest or impair Franchisor's exclusive ownership of, and/or license with respect to, the Confidential Information, the System or the Proprietary Marks.

6.4 If Developer develops improvements (as determined by Franchisor) to the Confidential Information, Developer and the Principals shall each, without additional consideration, execute such agreements and other documentation as shall be deemed necessary by Franchisor, granting exclusive ownership thereof to the Franchisor. All such improvements shall be Confidential Information.

6.5 Developer, each Principal, each Operating Partner, Principal Operator (if any), Representative and all other employees of Developer shall execute and deliver to Franchisor a Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, the form attached as Exhibit B. Notwithstanding the execution of such Confidentiality and Non-Disclosure Agreement and Covenant Not to Compete, Developer shall indemnify the Franchisor Indemnitees from any damages, costs or expenses resulting from or related to any disclosure or use of Confidential Information by any Principal, Operating Partner, Representative, Principal Operator (if any), Franchise Unit General Manager, Project Manager, Franchise Unit Manager or other employees of Developer.

6.6 Immediately upon any termination or expiration hereof, Developer and each Principal, Operating Partner, Principal Operator (if any), Representative, Project Manager, and all other employees of Developer shall return the Confidential Information including, without limitation, that portion of the Confidential Information which consists of analyses, compilations, studies or other documents containing or referring to any part of the Confidential Information, prepared by Developer or such Principal, Operating Partner, Representative, Project Manager, and all other employees of Developer, their agents, representatives or employees, and all copies thereof.

7 DEVELOPER'S REPRESENTATIONS AND WARRANTIES; AFFIRMATIVE AND NEGATIVE COVENANTS

7.1 In the event Developer is a corporation, limited liability company or partnership, Developer represents and warrants to Franchisor as follows:

A. Developer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with all requisite power and authority to own, operate and lease its assets (real or personal), to carry on its business, to enter into this Agreement and perform its obligations hereunder. Developer is duly qualified to do business and is in good standing in each jurisdiction in which its business or the ownership of its assets requires.

B. The execution, delivery and performance by Developer of this Agreement, any Franchise Agreement and all other agreements contemplated herein has been duly authorized by all requisite action and no further action is necessary to make this Agreement, any Franchise Agreement or such other agreements valid and binding upon it and enforceable against it in accordance with their respective terms. Neither the execution, delivery nor performance by Developer of this Agreement, any Franchise Agreement or any other agreements contemplated hereby will conflict with, or result in a breach of any term or provision of Developer's articles of incorporation, by-laws, partnership agreement or other governing documents or under any mortgage, deed of trust or other contract or agreement to which Developer is a party or by which it or any of its assets are bound, or breach any order, writ, injunction or decree of any court, administrative agency or governmental body.

C. Developer's articles of incorporation, by-laws, partnership agreement and other governing documents expressly limit Developer's business activities solely to the development and operation (pursuant to this Agreement and the Franchise Agreements) of the Franchise Units.

D. Certified copies of Developer's articles of incorporation, by-laws, partnership agreement, other governing documents and any amendments thereto, including board of director's or partner's resolutions authorizing this Agreement are attached hereto as Exhibit C.

E. A certified current list of all Principals is attached hereto as Exhibit A. Each of the Principals must sign and deliver to Franchisor the standard form of Principal's Guaranty attached to this Agreement.

F. Developer's articles of incorporation or other governing documents, or partnership agreement limit Transfers as described in Articles 8.2 and 8.3.

G. Each Security shall bear a legend (in a form to which Franchisor shall consent) indicating that any Transfer is subject to Articles 8.2 and 8.3.

7.2 Developer represents, warrants and covenants to Franchisor that (1) neither Developer, nor any individual or entity owning directly or indirectly any interest of Developer (if Developer is a business entity) or their respective affiliates or the funding sources for any of the foregoing is an individual or entity whose property or interests are subject to being blocked under Executive Order 13224 issued by the President of the United States of America, the

Terrorism Sanctions Regulations (Title 31 Part 595 of the U.S. Code of Federal Regulations), the Terrorism List Governments Sanctions Regulations (Title 31 Part 596 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31 Part 597 of the U.S. Code of Federal Regulations), and the Cuban Assets Control Regulations (Title 31 Part 515 of the U.S. Code of Federal Regulations), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including, without limitation, the United States Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as hereafter supplemented, amended or modified from time to time, and the present and future rules, regulations and guidance documents promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities ("OFAC Laws and Regulations") or is otherwise in violation of any of the OFAC Laws and Regulations; (2) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for any of the foregoing, (a) is under investigation by any government authority form, or has been charged with, or convicted of, OFAC Laws and Regulations, (b) has been assessed any penalties under these laws, or (c) has had any of its funds seized or forfeited in any action under these laws; (3) neither Developer nor any individual or entity owning directly or indirectly any interest of Developer or their respective affiliates or the funding sources for the foregoing is directly or indirectly owned or controlled by the government of a county that is subject to an embargo imposed by the United States Government, nor acting on behalf of a government; (4) has taken all reasonable measures to ensure compliance with all OFAC Laws and Regulations ; and (5) Developer shall take all reasonable measures to continue compliance with all OFAC Laws and Regulations during the term of this Agreement.

7.3 Developer affirmatively covenants with Franchisor as follows:

A. Developer shall perform its duties and obligations hereunder and under any Franchise Agreement and shall require each Operating Partner or Principal Operator (if any) to dedicate his respective full time and best efforts to the development, construction, management, operation, supervision and promotion of the Franchise Units in accordance with the terms and conditions hereof.

B. Developer shall promptly provide Franchisor with all information concerning any new process or improvements in the development, construction, management, operation, supervision or promotion of the Franchise Units developed by Developer or any Principal without compensation. Developer and the Principals shall each execute such agreements and other documentation as shall be deemed necessary by Franchisor, granting Franchisor exclusive ownership thereof.

C. Developer shall comply with all requirements of applicable rules, regulations, statutes, laws and ordinances.

D. Developer shall maintain a current list of all Principals and deliver a certified copy thereof to Franchisor upon (i) any Transfer; or (ii) request.

E. Each Security issued subsequent to the date hereof shall be in compliance with Article 7.1G.

7.4 Developer acknowledges and/or negatively covenants with Franchisor as follows:

A. Developer shall not amend its articles of incorporation, by-laws, partnership agreement or other governing documents in a manner which is inconsistent with Articles 7.1C, 8.2 and 8.3.

B. Developer shall not, remove or permit removal from any Security or its partnership agreement, or issue any Security that does not have endorsed upon it, the legend described in Article 7.1G.

C. Developer and each Principal shall receive valuable, unique training, trade secrets and the Confidential Information which are beyond the present skills, experience and knowledge of Developer, any Principal and Developer's employees. Developer and each Principal acknowledge that (i) such training, trade secrets and the Confidential Information (a) are essential to the development of the Franchise Unit and (b) provide a competitive advantage to Developer; and (ii) access to such training, trade secrets and the Confidential Information is a primary reason for their execution of this Agreement. In consideration thereof, Developer and each Principal covenant that, during the Term and for a period of two (2) years after the expiration or termination hereof, neither Developer nor any Principal shall, directly or indirectly:

i. employ or seek to employ any person (or induce such person to leave his or her employment) who is, or has within one (1) year been, employed (i) by Franchisor, (ii) by any developer or franchisee of Franchisor, or (iii) in any other concept or system owned, operated or franchised by an Affiliate, as a director, officer or in any managerial capacity;

ii. own, maintain, operate or have any interest in any Competing Business;

iii. own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located in the Territory; or

iv. own, maintain, operate or have any interest in any Competing Business which business is, or is intended to be, located within a twenty five (25) mile radius of any Franchise Unit which is a part of a concept or system owned, operated, or franchised by Franchisor or any Affiliate.

Subsections 7.4 (C) (i, ii, iii and iv) shall not apply to an interest for investment only of 5% or less of the capital stock of a Publicly-Held Entity if such owner is not a director, officer or manager thereof or consultant thereto.

7.5 Each of the foregoing covenants is independent of each other covenant or agreement contained in this Agreement or in any Franchise Agreement.

7.6 Franchisor may, in its sole discretion, reduce the area, duration or scope of any covenant contained in Article 7.3 without Developer's or any Principal's consent, effective upon notice to Developer. Developer and each Principal shall comply with any covenant as so modified.

7.7 Developer's representations, warranties, covenants and agreements herein are continuing representations, warranties, covenants and agreements each of which shall survive the expiration or termination hereof.

8 TRANSFER

8.1 Franchisor may assign this Agreement, or any of its rights or obligations herein, to any person or entity without Developer's or any Principal's consent; provided, however, that Franchisor's obligations which are assigned shall be fully assumed by the party to whom Franchisor assigns such obligations.

8.2 Developer and each Principal acknowledge that Developer's rights and obligations herein and in each Franchise Agreement are personal to Developer and that Franchisor has entered into this Agreement and will enter into each Franchise Agreement relying upon the business skill, experience and aptitude, financial resources and reputation of Developer and each Principal. Therefore, neither Developer nor any Principal, their respective successors or permitted assigns, shall complete, or allow to be completed, any Transfer without Franchisor's consent. Any purported Transfer, by operation of law or otherwise, without Franchisor's consent shall be null and void and constitute an Event of Default.

8.3 Franchisor may require satisfaction of any of the following conditions and such other conditions as Franchisor may reasonably require prior to consenting to any Transfer, each of which Developer acknowledges and agrees is reasonable and necessary:

A. No Event of Default shall have occurred and be continuing and no event shall have occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default;

B. Developer and/or any affected Principal shall deliver a general release of any and all claims against the Franchisor's Indemnitees including, without limitation, claims arising under this Agreement and any Franchise Agreement, in a form that will be similar to the form attached to the Franchise Disclosure Document as Exhibit J;

C. Developer and/or any affected Principal shall remain liable for the performance of its obligations, covenants and agreements herein through the date of transfer and shall execute all instruments reasonably requested by Franchisor to evidence such liability;

D. the transferee and all Transferee Owners, as applicable, shall (i) make each of Developer's and Principal's representations and warranties; (ii) assume full, unconditional, joint and several liability for, and agree to perform from the date of Transfer, each of Developer's and Principal's obligations, covenants and agreements herein; and (iii) execute all instruments (in a form acceptable to Franchisor) reasonably requested by Franchisor to evidence the foregoing;

E. the transferee and all Transferee Owners shall satisfy, in Franchisor's reasonable judgment, Franchisor's then existing criteria for Franchisor developers or principals, as applicable, including, without limitation: (i) education; (ii) business skill, experience and aptitude; (iii) character and reputation; and (iv) financial resources;

F. the transferee and all Transferee Owners shall execute (without extending the Term) the standard form of development agreement then being offered to new System developers or other form of this Agreement as Franchisor

requests and such other ancillary agreements as Franchisor may request for the development of the Franchise Units, which shall supersede this Agreement and its ancillary documents and the terms of which may differ from the terms hereof; provided, however, that the transferee shall not be required to pay the Development Fee (transferee shall pay all Franchise Fees and other fees described in each Franchise Agreement which have not already been paid in full by Developer); and

G. at the transferee's expense, the transferee's Representative, and Operating Partner, shall complete such training as then required (if not previously trained pursuant to the terms hereof), upon such terms and conditions as Franchisor may reasonably require.

8.4 Developer and each Principal agree that Franchisor shall have the right of first refusal with respect to all bona fide written offers to purchase which Developer receives with respect to any transfer. Any time that Developer receives a bona fide offer to purchase, Developer shall inform Franchisor in writing of all of the terms and conditions of the offer and provide Franchisor with a copy of any written offer to purchase. Any such offer must be in writing and signed by the offeree to be considered bona fide. Franchisor may, within ninety (90) days after receiving the notice of the bona fide offer, notify Developer, in writing, of its election to exercise its right of first refusal with regard to such transfer on the same terms and conditions, only, as are contained in that offer. If the offer provides for any payments in the form of property other than cash, Franchisor can substitute cash for the fair market value of such property or services. If Franchisor waives or fails to exercise its right of first refusal and subject to the conditions continued in this Agreement can complete the proposed sale or transfer, but only to the bona fide offeree, and only in the same terms and conditions as were disclosed to Franchisor. Such sale must be completed within ninety (90) days after the expiration of Franchisor' right of first refusal period or if earlier, the date on which Franchisor waived its option rights in writing.

8.5 In the event Franchisor consents to any proposed Transfer, there shall be paid to Franchisor a fee of $10,000, or such greater amount as is necessary to reimburse Franchisor for its costs and expenses associated with reviewing the proposed Transfer including, without limitation, Territorial Expenses, legal and accounting fees and Wage Expenses. No such fee shall be payable with respect to a transaction with Franchisor described in Article 8.3.

8.6 If Developer is an individual, and in the event of the death or mental incapacity of the Developer, this Agreement shall terminate at the end of the ninety (90) day period that begins on Developer's date of death, or the date that Developer is declared to be mentally incompetent by a court of competent jurisdiction pursuant to applicable law, as the case may be; provided that Developer's legal representative may attempt to arrange for the transfer of this Agreement during the ninety (90) day period, and such transfer, when presented to Franchisor for approval, will be subject to the terms of Article 8.2, provided that no transfer fee will be payable. If this Agreement is not transferred as permitted within the ninety (90) day period and, as a result, this Agreement automatically terminates, the provisions of Article 2.6 shall be applicable. If Developer is a corporation, partnership or limited liability company, and in the event of the death or mental incapacity of the Operating Partner, or any Principal, this Agreement shall terminate at the end of the ninety (90) day period which commences on the date of death of the Operating Partner, or Principal or the date on which the Operating Partner, or Principal is declared to be mentally incompetent by a court of competent jurisdiction pursuant to applicable law, as the case may be; provided that the legal representative of the Operating Partner, or Principal may attempt to arrange for the transfer of the interest in the Developer during the ninety (90) day period, and such transfer,

when presented to Franchisor for approval, will be subject to the terms of Article 8.2, provided that no transfer fee will be payable. If the interest of the Operating Partner or principal owner is not transferred as permitted within the ninety (90) day period and, as a result, this Agreement automatically terminates, the provisions of Article 2.6 shall be applicable.

8.7 Franchisor's consent to any Transfer shall not constitute a waiver of (i) any claims it may have against the transferor; or (ii) the transferee's compliance with the terms hereof.

9 CONSENT AND WAIVER

9.1 When required, Developer or any Principal shall make a written request for Franchisor's consent in advance and such consent shall be obtained in writing. Franchisor's consent shall not be unreasonably withheld. The foregoing notwithstanding, where either party's consent is expressly reserved to such party's sole discretion, the exercise of such discretion shall not be subject to contest.

9.2 FRANCHISOR MAKES NO REPRESENTATIONS OR WARRANTIES UPON WHICH DEVELOPER OR ANY PRINCIPAL MAY RELY AND ASSUMES NO LIABILITY OR OBLIGATION TO DEVELOPER, ANY PRINCIPAL OR ANY THIRD PARTY BY PROVIDING ANY WAIVER, ADVICE, CONSENT OR SERVICES TO DEVELOPER OR DUE TO ANY DELAY OR DENIAL THEREOF.

10 DEFAULT AND REMEDIES

10.1 The following shall constitute Events of Default by Developer or any Principal for which there shall be no opportunity to cure and for which notice of termination is not required: (i) the breach or falsity of any representation or warranty herein; (ii) any Transfer that (a) occurs other than as provided in Article 8 or (b) fails to occur within the time periods described in Article 8 (notwithstanding any lack of, or limits upon, the enforceability of any term or provision of Articles 7 or 8); (iii) Developer (a) is adjudicated, or is, bankrupt or insolvent, (b) makes an assignment for the benefit of creditors, or (c) seeks protection from creditors by petition in bankruptcy or otherwise or there is filed against Developer a similar petition which is not dismissed within thirty (30) days; (vi) the appointment of a liquidator or receiver for (a) all or substantially all of Developer's assets or (b) any Franchise Unit is sought which is not dismissed within thirty (30) days; (vii) Developer or any Principal pleads guilty or no contest to or is convicted of a felony or a crime involving moral turpitude or any other crime or offense that Franchisor reasonably believes is likely to adversely affect the Proprietary Marks, the System or the goodwill associated therewith (whether in the Territory or elsewhere) or Franchisor's interest therein.

10.2 The following shall constitute Events of Default by Developer or any Principal for which there shall be a cure period of thirty (30) days after written notification from Franchisor: (i) failure to comply with the Development Schedule; (ii) failure to pay any Franchise Fee required hereunder and/or pursuant to any Franchise Agreement required to be executed pursuant to this Agreement on or before the date payable; (iii) failure to meet and/or maintain the Standards; (iv) failure to deliver executed covenants as required in Article 6; (v) failure to comply with or perform its covenants, obligations and agreements contained in this Agreement. If an Event of Default shall arise under any Franchise Agreement under which Franchisee has an opportunity to cure, the cure period under this Agreement shall be extended to coincide with the cure period of the Franchise Agreement.

10.3 Franchisor may, for breach of this Agreement upon the occurrences of any Event

of Default under Articles 10.1 or 10.2: (a) terminate this Agreement and all rights granted hereunder without waiving, (i) any claim for damages suffered by Franchisor, or (ii) other rights, remedies or claims. Immediately upon termination, as is noted in Article 2.6 hereof, Developer's right to open future Franchise Units within the Territory shall be rescinded, and this Agreement terminated. Franchisor shall thereafter have the right to open future company-owned Franchisor's locations in the Territory or to grant such rights to open future Franchise Units in the Territory to other parties as determined in the sole discretion of Franchisor. Developer shall, however, retain the right to operate the Franchise Units previously opened in the Territory subject to all the terms and conditions of the Franchise Agreement(s) between the parties and may complete development of and/or operate the Franchise Units for which a Franchise Agreement has been fully executed and Franchisor has received the Franchise Fee, subject to the terms and conditions thereof.

10.4 Subject to the provisions of Article 10.6, all rights and remedies of either party shall be cumulative, and not exclusive, of any other right or remedy described herein or available at law or in equity. The expiration or termination of this Agreement shall not release any party from any liability or obligation then accrued or any liability or obligation continuing beyond, or arising from, such expiration or termination. Nothing in this Agreement shall impair either party's right to obtain injunctive or other equitable relief.

10.5 The failure of any party to exercise any right or remedy or to enforce any obligation, covenant or agreement herein shall not constitute a waiver by, or estoppel of, that party's right to any of the remedies described herein including, without limitation, to enforce strict compliance with any such obligation, covenant or agreement. No custom or practice shall modify or amend this Agreement. The waiver of, or failure or inability of any party to enforce, any right or remedy shall not impair that party's rights or remedies with respect to subsequent Events of Default of the same, similar or different nature. The delay, forbearance or failure of any party to exercise any right or remedy in connection with any Event of Default or default by any other developers shall not affect, impair or constitute a waiver of such party's rights or remedies herein. Acceptance of any Payment shall not waive any Event of Default.

10.6 Developer and each Principal shall, jointly and severally, pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by Franchisor in successfully enforcing, or obtaining any remedy arising from the breach of this Agreement. The existence of any claims, demands or actions which Developer or any Principal may have against Franchisor, whether arising from this Agreement or otherwise, shall not constitute a defense to Franchisor's enforcement of Developer's or any Principal's representations, warranties, covenants, obligations or agreements herein.

10.7 IN THE EVENT OF A DISPUTE BETWEEN THEM WHICH IS NOT SUBJECT TO, NOR ARISES UNDER, ARTICLE 12, FRANCHISOR, DEVELOPER AND PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, BUT SPECIFICALLY EXCLUDING, HOWEVER, DAMAGES TO THE REPUTATION AND GOODWILL ASSOCIATED WITH AND/OR SYMBOLIZED BY THE PROPRIETARY MARKS) AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISION SHALL CONTINUE IN FULL FORCE AND EFFECT.

10.8 Developer and each Principal agree that Franchisor's exercise of the rights and remedies set forth herein are reasonable. Franchisor may, in addition to pursuing any other remedies, specifically enforce such obligations, covenants and agreements or obtain injunctive or other equitable relief in connection with the violation or anticipated violation of such obligations, covenants and agreements.

11 INSURANCE

11.1 Developer shall obtain within thirty (30) days from the date hereof and maintain throughout the Term, such insurance coverage (including, without limitation, as may be (i) required by law; or (ii) prescribed by Franchisor from time to time as to types of coverage and amounts of coverage. Such insurance shall:

A. Name the Franchisor Indemnitees as additional insured parties and provide that coverage applies separately to each insured and additional insured party against whom a claim is brought as though a separate policy had been issued to each Franchisor Indemnitee;

B. contain no provision which limits or reduces coverage in the event of a claim by any one (1) or more of the insured or additional insured parties;

C. provide that policy limits shall not be reduced, coverage restricted, canceled, allowed to lapse or otherwise altered or such policy(ies) amended without Franchisor's consent, but in no event upon less than thirty (30) days prior written notice to Franchisor;

D. be obtained from reputable insurance companies with an A.M. Best Rating of AAA and an A.M. Best Class Rating of VIII or better (or comparable ratings from a reputable insurance rating service, in the event such A.M. Best ratings are discontinued or materially altered), authorized to do business in the jurisdiction in which the Franchise Unit is located.

11.2 A certificate of insurance shall be submitted for Franchisor's consent within ten (10) days following commencement of such coverage, and additional certificates of insurance shall be submitted to Franchisor thereafter, evidencing uninterrupted coverage. Developer shall deliver a complete copy of such policy(ies) within ten (10) days of request.

11.3 In the event of a claim of any one or more of the Franchisor's Indemnitees against Developer, Developer shall, on request of Franchisor, assign to Franchisor any and all rights which Developer then has or thereafter may have with respect to such claim against the insurer(s) providing the coverage described in this Article.

11.4 Developer's obligation to obtain and maintain insurance or to indemnify any Franchisor Indemnitee shall not be limited by reason of any insurance which may be maintained by Franchisor's Indemnitee, nor shall such insurance relieve Developer of any liability under this Agreement. Developer's insurance shall be primary to any policies maintained by any Franchisor Indemnitee.

11.5 If Developer fails to obtain or maintain the insurance required by this Agreement, as such requirements may be revised from time to time, Franchisor may acquire such insurance, and the cost thereof, together with a reasonable fee for Franchisor's expenses in so acting and interest at 2.0% per month from the date acquired, shall be payable by Developer upon notice.

12 INDEMNIFICATION

12.1 Developer and each Principal will, at all times, indemnify and hold harmless, to the fullest extent permitted by law, the Franchisor Indemnitees from all "Losses and Expenses" incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

A. The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any Principal of any patent, mark or copyright or other proprietary right owned or controlled by third parties.

B. The violation, breach or asserted violation or breach by Developer or any Principal of any contract, federal, state or local law, regulation, ruling, standard or directive or any industry standard.

C. Libel, slander or any other form of defamation of Franchisor or the System, by Developer or any Principal.

D. The violation or breach by Developer or any Principal of any warranty, representation, agreement or obligation in this Agreement.

E. Acts, errors or omissions of Developer or any of its agents, servants, employees, contractors, partners, affiliates or representatives.

12.2 Developer and each Principal agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry or investigation.

12.3 Franchisor shall at all times have the absolute right to retain counsel of its own choosing in connection with any action, suit, proceeding, claim, demand, inquiry or investigation. Franchisor shall at all times have the absolute right to investigate any action, suit proceeding, claim or demand itself.

12.4 Developer and each Principal shall indemnify Franchisor's Indemnitees for attorneys' fees, expenses, and costs incurred in connection with the enforcement of Franchisor's rights under Article 12. This provision shall not be construed so as to limit or in any way affect Developer's indemnity obligations pursuant to the other provisions of Article 12.

12.5 In the event that Franchisor's exercise of its rights under Article 12 actually results in Developer's insurer with respect to insurance required to be maintained by Developer pursuant to Article 11 (hereinafter, the "Insurer") refusing to pay on a third party claim, all causes of action and legal remedies which Developer might have against the Insurer shall be automatically assigned to Franchisor without the need for any further action on Franchisor's or Developer's part. For the purposes of Article 12, "actually results" means that, but for Franchisor' exercise of its rights under Article 12, the Insurer would not have refused to pay on said third-party claim.

12.6 In the event that Franchisor's exercise of its rights under Article 12 actually

results in the Insurer refusing to pay on a third-party claim, Developer shall be required to indemnify Franchisor for the latter's attorneys' fees, expenses and costs incurred in connection with that claim.

12.7 In the event that the Insurer subsequently reverses its previous decision to not pay a claim, by in fact paying that claim, Developer shall not be required to indemnify Franchisor for the latter's attorneys' fees, expenses and costs incurred in connection with that claim, just as if the Insurer had never denied the claim.

12.8 In the event that Developer encourages, requests, or suggests that the Insurer deny a claim, Developer shall indemnify Franchisor for its attorneys' fees, expenses and costs in connection with that claim.

12.9 Subject to the provisions of Article 12.2. above, in order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

A. any of the acts or circumstances enumerated in Article 12.1 above have occurred; or

B. any act, error, or omission of Developer or any Principal may result directly or indirectly in damage, injury or harm to any person or any property.

12.10 In addition to their indemnity obligations under Article 12.4, Developer and each Principal shall indemnify Franchisor for any and all losses, compensatory damages, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described, which result from any of the items set forth in Article 12.

12.11 Franchisor does not assume any liability whatsoever for acts, errors, or omissions of those with whom Developer or any Principal may contract, regardless of the purpose. Developer and each Principal shall hold harmless and indemnify Franchisor for all losses and expenses which may arise out of any acts, errors or omissions of these third parties.

12.12 Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim against Developer or any Principal. Developer and each Principal agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Franchisor from Developer or any Principal.

12.13 Notwithstanding anything to the contrary contained in this Agreement, Developer is not required to indemnify Franchisor with regard to any infringement, alleged infringement or other violation or alleged violation by Developer or any Principal of any patent, mark, or copyright or other proprietary right owned or controlled by a third party, arising in connection with the use of the Proprietary Marks and System franchised to Developer when used in the

manner authorized and required by Franchisor pursuant to this Agreement.

13 NOTICES

All notices required or desired to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, facsimile or certified mail, return receipt requested to the following addresses (or such other addresses as designated pursuant to this Article 13):

if to Developer or any Principal: _____

_____

_____

Facsimile No.: _____

if to Franchisor: The Waxxpot Group Franchise, LLC
4211 S. Lamar Blvd. Austin, TX 78704

Notices posted by personal delivery, next day or same day expedited service or given by facsimile shall be deemed given the next business day after transmission. Notices posted by certified mail shall be deemed received 3 Business Days after the date of posting. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other party.

14 FORCE MAJEURE

No party shall be liable for any inability to perform resulting from acts of God or other causes (other than financial inability or insolvency) beyond their reasonable control; provided, however, that nothing herein shall excuse or permit any delay or failure (i) to remit any Payment on the date due; or (ii) for more than one hundred eighty (180) days. The party whose performance is affected by an event of force majeure shall, within 3 days of the occurrence of such event, give notice thereof to the other party setting forth the nature thereof and an estimate of its duration.

15 SEVERABILITY

15.1 Should any term, covenant or provision hereof, or the application thereof, be determined by a valid, final, non-appealable order to be invalid or unenforceable, the remaining terms, covenants or provisions hereof shall continue in full force and effect without regard to the invalid or unenforceable provision. In such event, such term, covenant or provision shall be deemed modified to impose the maximum duty permitted by law and such term, covenant or provision shall be valid and enforceable in such modified form as if separately stated in and made a part of this Agreement. Notwithstanding the foregoing, if any term hereof is so determined to be invalid or unenforceable and such determination adversely affects, in Franchisor's reasonable judgment, Franchisor's ability to realize the principal purpose of the Agreement or preserve its or Franchisor's rights in, or the goodwill underlying, the Proprietary Marks, the System, or the Confidential Information, Franchisor may terminate this Agreement upon notice to Developer.

15.2 Captions in this Agreement are for convenience only and shall not affect the meaning or construction of any provision hereof.

16 INDEPENDENT CONTRACTOR

16.1 Developer is and shall be an independent contractor and nothing in this Agreement shall be construed so as to create an agency or an employment relationship, a partnership or a joint venture between the parties. Neither party shall act or have the authority to act as agent for the other and neither Developer nor Franchisor shall guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. Developer is not and shall not hold itself out as being an agent or an employee of, or a partner or joint-venturer with Franchisor. Developer will prominently display in its Franchise Unit, so that it is clearly visible to the public, a sign or placard stating that the Franchise Unit is independently owned and operated by Franchisee.

16.2 Nothing herein authorizes Developer or any Principal to make any contract, agreement, warranty or representation or to incur any debt or obligation in Franchisor's name.

17 DUE DILIGENCE AND ASSUMPTION OF RISK

17.1 Developer and each Principal (i) have conducted such due diligence and investigation as each desires; (ii) recognize that the business venture described herein involves risks; and (iii) acknowledge that the success of such business venture is dependent upon the abilities of Developer and Principals. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND DEVELOPER AND EACH PRINCIPAL ACKNOWLEDGE THAT THEY HAVE NOT RECEIVED ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL PERFORMANCE OR VIABILITY OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

17.2 Developer and each Principal have received, read and understand this Agreement, the documents referred to herein and the Exhibits and Schedules hereto. Developer and each Principal have had ample time and opportunity to consult with their advisors concerning the potential benefits and risks of entering into this Agreement.

18 ENFORCEMENT

18.1 **Enforcement by Judicial Process**. Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement by Franchisor for the causes enumerated in Article 10, to prevent or remedy a material breach of this Agreement by Developer or Principal if such breach could materially impair the goodwill associated with Franchisor's Names and Proprietary Marks (including actions with respect to the servicing of wholesale accounts), to enforce the confidentiality provisions of this Agreement, and to enforce the Non-Competition provisions of this Agreement. Franchisor shall be entitled without bond to the entry of temporary restraining orders and temporary and permanent injunctions enforcing the aforementioned provisions. If a court determines a bond is necessary, Developer or Principal agrees that no bond shall be required. If Franchisor is successful in obtaining an injunction or any other relief against Developer or Principal, Developer or Principal shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of commencing and prosecuting the action, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

18.2 **Internal Dispute Resolution**. Except for actions initiated by Franchisor by

judicial process under the terms of Section 19.1 above, the parties (includes Franchisor, Developer, Franchisee, Bound Parties or Guarantor) shall agree to meet at a mutually agreeable location to seek to resolve any disagreement or grievance ("Internal Resolution"). Each party shall be represented by an executive-level individual and, in the instance of the Developer, at least a majority owner. Internal Resolution of any and all such disputes, claims or disagreements shall be a condition precedent to any other remedy under this Agreement or at law, except as noted above. The Internal Resolution shall occur within thirty (30) days of the service of a notice indicating the nature of the dispute by one of the parties. The parties shall participate in good faith and seek to resolve the dispute. If the dispute cannot be resolved by Internal Resolution, then the parties may proceed to arbitration or judicial process as stated in Section 19.1.

18.3 **Arbitration**. Except insofar as Franchisor elects to enforce this Agreement by judicial process and injunction as provided above, all disputes and claims between Franchisor and Developer, including but not limited to all disputes relating to any provision of this Agreement, to any specification, standard, operating procedure or other obligation of Franchisor or its agents or the breach thereof (including, without limitation, any claim that this Agreement, any provision thereof, any specification, standard, operating procedure or any other obligation of Developer or Franchisor is illegal, unenforceable or voidable under any law, ordinance or ruling) shall be settled by binding arbitration administered by the American Arbitration Association pursuant to its Commercial Arbitration Rules. Arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.). A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted in Columbus, Ohio (or in the city in which Franchisor's headquarters is located at the time the arbitration is initiated). Any arbitrator appointed must have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement. Franchisor and Developer acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction.

18.4 **Individual Actions Only**. Any arbitration proceeding shall be conducted on an individual basis and not on a multi-plaintiff, consolidated, collective or class-wide basis.

18.5 **WAIVER OF JURY TRIAL**. TO THE EXTENT EITHER PARTY IS PERMITTED TO ENFORCE THIS AGREEMENT BY JUDICIAL PROCESS AND ELECTS TO DO SO, EACH OF THE PARTIES WAIVES ITS RIGHT TO A TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ALL CAUSES OF ACTION THAT ARE OR MIGHT BE INCLUDED IN SUCH ACTION INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR SIMILAR CAUSES OF ACTION, AND IN CONNECTION WITH ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES BETWEEN FRANCHISOR AND DEVELOPER OR PRINCIPAL (INCLUDING ANY OWNERS OR GUARANTORS, IF APPLICABLE, AND INCLUDING ACTIONS INVOLVING AFFILIATES, OFFICERS, EMPLOYEES OR AGENTS OF FRANCHISOR OR DEVELOPER) FOR BREACH OF THE FRANCHISE AGREEMENT.

18.6 **Waiver of Punitive Damages**. Franchisor and Developer (and the respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and against any affiliates, owners, employees, or agents of the other, and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of actual damages sustained

by it and any equitable relief to which it might be entitled.

18.7 **Choice of Law; Exclusive Jurisdiction and Venue.** Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the State of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. Franchisor and Developer (and the respective owners, officers, affiliates and agents, if applicable) each agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue. DEVELOPER UNDERSTANDS THAT THIS CLAUSE COMPELS IT TO LITIGATE IN FRANKLIN COUNTY IN THE STATE OF OHIO, AND FRANCHISEE KNOWINGLY WAIVES ITS RIGHT TO OTHERWISE OBJECT TO THE EXCLUSIVE VENUE. Notwithstanding the foregoing, if Franchisor is permitted to seek injunctive relief under this Agreement, Franchisor may, at its option, bring such action in the county in which the Franchise Unit is located or in the county where the Developer's Principal place of business is located.

18.8 **Waiver of Collateral Estoppel**. The parties agree they should each be able to settle, mediate, litigate, arbitrate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Developer. Franchisor and Developer each agree that a decision of an arbitrator or court of law in litigation to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any action between Franchisor and Developer. The parties waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

18.9 **Limitation of Claims**. All claims, except for monies due to Franchisor or Developer's performance under this Agreement, arising under this Agreement or from the relationship between the parties are barred unless an action is filed and timely served on the opposing party within one (1) year from the date the party knew or should have known of the facts creating the claim, except to the extent any applicable law or statute provides for a shorter period of time to bring a claim or as otherwise required by law.

19 MISCELLANEOUS

19.1 Time is of the essence to this Agreement.

19.2 There are no third party beneficiaries to this Agreement except for the remedy provided for breach of Developer's or any Principal's covenant contained in Article 7.3.

19.3 This Agreement may be executed in any number of counterparts each of which when so executed shall be an original, but all of which together shall constitute one (1) and the same instrument.

19.4 All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, unless otherwise suggested by the text.

19.5 This Agreement will become effective only upon execution hereof by the President of Franchisor.

19.6 This Agreement is not a franchise agreement and does not grant Developer or any Principal any rights in or to the (i) System (except as expressly provided herein); or (ii) Proprietary Marks.

19.7 Developer shall not use the words "Franchisor", or any part thereof, as part of its corporate or other name.

19.8 Developer and each Principal acknowledge that each has received a complete copy of this Agreement, the documents referred to herein and the Exhibits hereto at least seven (7) calendar days prior to the date on which this Agreement was executed. Developer and each Principal further acknowledge that each has received Franchisor's Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any Payments made to Franchisor pursuant to this Agreement.

20 ENTIRE AGREEMENT

This Agreement and the Exhibits, Addenda and Schedules hereto and the information and representations set forth in the Franchise Disclosure Document presented to Franchisee/Developer constitute the entire agreement between Franchisor, Developer and the Principals concerning the subject matter hereof. All prior agreements, discussions, representations (except those set forth in the Franchise Disclosure Document presented to Franchisee), warranties and covenants are merged herein. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by Franchisor and Developer.

THERE ARE NO WARRANTIES, REPRESENTATIONS, COVENANTS OR AGREEMENTS, EXPRESS OR IMPLIED, BETWEEN THE PARTIES CONCERNING THE SUBJECT MATTER HEREOF, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT PRESENTED TO THE FRANCHISEE. EXCEPT THOSE PERMITTED TO BE MADE UNILATERALLY BY FRANCHISOR HEREUNDER, NO AMENDMENT, CHANGE OR VARIANCE FROM THIS AGREEMENT SHALL BE BINDING ON EITHER PARTY UNLESS MUTUALLY AGREED TO BY FRANCHISOR AND DEVELOPER AND EXECUTED IN WRITING. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the day and year first above written.

THE WAXXPOT GROUP FRANCHISE, LLC

By:_____

It's_____

DEVELOPER

Under Ohio law, you, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached (Exhibit D) notice of cancellation for an explanation of this right.

By:_____

It's_____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN THE WAXXPOT GROUP FRANCHISE, LLC

Developer and its Owners

This form must be completed by Developer ("you") if you have multiple owners or if you or your business is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on its truth and accuracy in awarding the territory to you.

1. Form of Entity. You are a (check one):

(a) General Partnership [ ]
(b) Corporation [ ]
(c) Limited Partnership [ ]
(d) Limited Liability Company [ ]
(e) Other [ ]
Specify: _____

You are formed under the laws of_____.

2. Owners. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest
_____	_____
_____	_____
_____	_____
_____	_____

3. Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) of _____.

This Exhibit "A" is current and complete as of_____, 20____.

[DEVELOPER]

By:_____
Name:_____
Its: _____

EXHIBIT B
TO THE AREA DEVELOPMENT AGREEMENT

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND
COVENANT NOT TO COMPETE

This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete is entered into as of the date or dates set forth below by and between _____ (the "Undersigned") and The Waxxpot Group Franchise, LLC ("Franchisor").

WHEREAS, Franchisor is the Franchisor of "Franchisor" and has the authority to disclose and discuss all information relating to the operations of a Franchise Unit (hereinafter referred to as "Franchisor's Business," "Business," or "Franchise Unit");

WHEREAS, confidential information will be disclosed to the Undersigned; and

WHEREAS, such confidential information gives Franchisor and the Undersigned a competitive advantage over those who do not know it and who may compete with Franchisor, its affiliates or its franchisees by operating Franchise Unit that may or may not utilize a similar concept.

NOW, THEREFORE, in order to induce Franchisor to transmit the aforesaid Information to it, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Undersigned hereby agrees as follows:

1. The term "Information" shall mean, but shall not be limited to, any and all information concerning the Business, including but not limited to all information contained in Franchisor' Operations Manuals or other Manuals provided to the Undersigned by Franchisor, all memoranda, notes, disks, digital information of any kind, whether from Franchisor's website or otherwise, cost analysis, trademarks, copyrights, logos, signage, blueprints, sketches, recipes, methods, processes, designs, plans, property, reports and documents, Franchisor's operational, manufacturing, administrative, merchandising, marketing, costing, production and related information, information concerning the business, operations and markets of "Franchisor" Franchise Units , and all copies and extracts thereof, prepared by or on behalf of Franchisor or any of its officers, employees, attorneys, representatives, agents or consultants, which is disclosed to or acquired by the Undersigned directly or indirectly from Franchisor in the course of activities related to the purchase and sale of a franchise of said Business, or which is obtained by the Undersigned through an inspection of any facility employing Information.

2. The Undersigned agrees to retain all Information in strict confidence and not use it except as otherwise provided herein and the Undersigned agrees not to claim any right or interest in or to disclose Information to others.

3. The Undersigned shall have the right to communicate Information to its shareholders, officers, directors, members, Operating partners, managers, employees, agents, and its attorneys and other representatives approved in advance by Franchisor to the extent necessary for such person to perform his/her functions in the operation of the Franchise Unit.

4. The Undersigned agrees to cause any person to whom Information is disclosed to maintain the strict confidentiality of such Information and cause such persons to execute a

written Confidentiality and Nondisclosure Agreement in a form prescribed by Franchisor. This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete is to be executed by all partners if Franchisee is a partnership or limited partnership, all officers and shareholders if the Undersigned is a corporation, and all members if the Undersigned is a limited liability company. This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete must also be executed by the Undersigned's Operating partner, managers, and any other person with access to any Information.

5. In the event the relationship contemplated by the Franchise Agreement between the Undersigned and Franchisor terminates or expires without renewal, then the Undersigned agrees not to use any of the Information to own, operate, lease to or develop a business offering the services of beauty enhancement professionals, including, but not limited to professionals such as hair stylists, aestheticians, nail technicians and massage therapists or similar professionals ("Competitive Business"). The Undersigned shall also return to Franchisor all Information supplied to it by Franchisor pertaining to the business or Franchise Unit, and shall not retain any copies or other reproductions, or extracts thereof, prepared by the Undersigned or any of its officers, employees, attorneys, representatives or consultants, in connection with the Franchise Unit. The Undersigned, or an authorized representative of the Undersigned shall provide a certificate to Franchisor that all of the foregoing have in fact been destroyed.

6.(a) The Undersigned acknowledges that the Information disclosed to the Undersigned and all other aspects of the franchise system are highly valuable assets of Franchisor, and the Undersigned agrees that it shall not, without the prior written consent of the Franchisor (i) during the term of any franchise agreement, area development agreement or any similar agreement between the undersigned (or a person or entity affiliated with the undersigned) and Franchisor (collectively, a "Franchise Agreement"), directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lease property of any kind to, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any Competitive Business unless such Competitive Business is operated pursuant to a written license or other agreement with Franchisor, and (ii) for a period of two (2) years from the date of the Franchise Agreement's termination or expiration without renewal, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lease property of any kind to, lend money to, guarantee the debts or obligations of, or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any Competitive Business within twenty-five
(25) miles of any Franchise Unit under the Development Territory granted, or any other Development Territory granted to third parties, or any other Waxxpot®-branded Franchise Unit, company-owned or affiliate-owned Waxxpot®-branded, unless such other business is operated pursuant to a written license or other agreement with Franchisor. The Undersigned agrees to cause all persons to whom it has disclosed Information to execute a written Covenant Not to Compete in a form prescribed by Franchisor.

(b) the Undersigned also acknowledges and agrees that if the Undersigned should violate the provisions of Section 6 of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete with respect to the operation of a competing business following expiration or termination of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete,

then the period for which the prohibition stated therein shall be applicable shall be extended until two (2) years following the date the Undersigned ceases all activities that are in violation of such provision.

7. The Undersigned acknowledges that it will be difficult to measure accurately the damages to Franchisor from any breach by the Undersigned of the covenants and restrictions set forth herein, that the injury to Franchisor from any such breach would be incalculable and irremediable and the damages would not, therefore in and of themselves, be an adequate remedy. The Undersigned therefore agrees that in the event it shall breach or attempt to breach any of the terms of this Agreement, Franchisor shall be entitled as a matter of right to obtain from any court of competent jurisdiction without posting bond or other security, an injunction (i) prohibiting the Undersigned from any further breaches of this Agreement; (ii) rescinding any action taken by the Undersigned contrary to the terms of this Agreement; and (iii) authorizing Franchisor to recover from the Undersigned any and all salaries, fees, commissions, income, profits or other remuneration or gain which the Undersigned may have received or to which it may have become entitled to receive from or by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. Franchisee expressly agrees that Franchisor will not be required to post a bond or other security at any stage of injunctive proceedings, waives any such requirement and authorizes any court of competent jurisdiction to issue an injunction (temporarily, preliminarily or permanently) without bond. The issuance of such an injunction will not prevent Franchisor from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

8. This Agreement shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise by the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law.. The parties to this Agreement agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue.

9. In the event any Paragraph or portion of any Paragraph in this Agreement shall be determined to be invalid or unenforceable for any reasons, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining valid and enforceable Paragraphs hereof, which shall be construed as if such invalid or unenforceable Paragraph or Paragraphs had not been inserted.

[SIGNATURES BEGIN ON THE NEXT PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written below.

DEVELOPER:	THE WAXXPOT GROUP FRANCHISE, LLC
By:_____	By:_____
It's:_____	It's:_____
Dated:_____	Dated:_____

EXHIBIT C
TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPERS ORGANIZATIONAL DOCUMENTS AND CORPORATE RESOLUTIONS
AS REQUIRED BY ARTICLE 7.1 (D)

EXHIBIT D
TO THE AREA DEVELOPMENT AGREEMENT

OHIO NOTICE OF CANCELLATION

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement.

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704 not later than midnight of_____.

I hereby cancel this transaction.

_____
(Purchaser's signature)

Date: _____

EXHIBIT D

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EXHIBIT E

AGREEMENT OF OWNERS OF FRANCHISE

AGREEMENT OF OWNERS OF FRANCHISE

In consideration of and as a condition of the granting by The Waxxpot Group Franchise, LLC ("Franchisor") of (i) a Development Agreement dated_____, 20 ; (ii) all Franchise Agreements executed pursuant to the terms of the Development Agreement (hereinafter collectively, "Agreements"); and/or (iii) granting permission for transfer of an ownership interest in_____and thus providing certain rights to one or more Waxxpot® Franchise Units to _____ ("Franchisee"), each of the undersigned individuals, being beneficial owners of an interest in the Franchisee, hereby, jointly and severally, covenant and agree to be bound by the terms of this Agreement.

1. Representations and Warranties.

(a) Each of you warrants that you are the owners of all equity, voting rights, options warrants and rights to acquire an interest in the Franchisee and that there are no other holders of any such rights that have not been named herein and/or have not joined in and executed this Agreement. Each of your addresses and telephone numbers are accurately set forth next to your name. You will immediately inform Franchisor of such change. It is understood and agreed that Franchisor may rely upon the information so provided and that we may use and distribute same as permitted or required by law, including in the Franchise Disclosure Document distributed by Franchisor.

(b) Each of you warrants that Franchisee is duly organized and validly exists in good standing under the laws of the State of_____; has and is qualified to do business in the states and localities where it is required to do so to operate the Stores which Franchisor has granted to Franchisee the right to operate under the Development Agreement or Franchise Agreements referred to above; that Franchisee has the right and authority to execute the Agreements and to perform all obligations which it may incur under the Agreements.

(c) You understand that your execution of this Agreement is a condition of the granting of the franchise to Franchisee and Franchisor is relying upon your agreement to do so and will continue to so rely;

(d) That as the beneficial owners of Franchisee, you have received adequate consideration to support your execution of this Agreement.

2. Confidentiality and Non-Competition.

Each of you agrees that during the period that Franchisee owns one or more Waxxpot® Franchise Units or holds any rights to develop one or more such Franchise Units, and for a period of two years following the last date upon which Franchisee owns any such stores or holds the rights to develop any such stores, notwithstanding the reason for the termination of ownership (the "Restricted Period"), within a twenty-five (25) mile radius of any Waxxpot® Franchise Unit that was owned or operated by Franchisee, or in which Franchisee had any interest, or any location which Franchisee had the right to develop stores, you shall not, engage in the following activities:

(i) directly or indirectly enter into the employ of, render any service to, consult with or act in concert with any person, partnership, limited liability company, corporation or other entity of any kind, that owns, operates, manages, franchises, leases property to or licenses any business which offers the services of waxing/or hair removal, including, but not limited to aestheticians, cosmetologists or similar services ("Competitive Business") unless such Competitive Business is operated pursuant to a written license or other agreement with Franchisor.

(ii) directly or indirectly engage in any such Competitive Business on your own account; or

(iii) become interested in any such Competitive Business directly or indirectly as an individual, partner, member, shareholder, director, officer, principal, agent, employee, consultant, contributor of venture capital, guarantor, or in any other capacity or relationship. Ownership of publicly traded securities of a corporation engaged in such business shall not be a violation of this Agreement, so long as you do not own, directly or indirectly, more than five percent (5%) of the issued and outstanding securities of such corporation.

(a) During any period in which any of the covenants in this Section are being breached or violated, including any period during which any of the parties seek judicial enforcement, modification or interpretation of any such covenant and during which the violation continues, unabated, the Restricted Period shall toll and be suspended.

(b) In the event any of you shall, with Franchisor's permission as provided in the Agreements, divest yourself of all of your interest in Franchisee, the above restrictions shall be applicable to you for a period of two years from the date of the transfer of your interest in Franchisee.

(c) Except as may be permitted under the terms of the Agreements, you will not at any time use, copy or duplicate Franchisor's system, which shall include, but is not limited to, Franchisor's trade secrets, methods of operation, processes, formulas, advertising, marketing, designs, color scheme, decor, furnishings, plans, software, digital information of any kind, whether from Franchisor's website or otherwise, programs, know-how or other proprietary ideas or information, nor will you convey, divulge, make available or communicate such information to any third party or assist others in using, copying or duplicating the foregoing.

(d) You shall not, at any time, after the execution of this Agreement, solicit, entice or induce, directly or indirectly, any of our employees or the employees of our affiliates or franchisees to leave their employment to work with you and/or to violate any non-compete and confidentiality agreements they may have entered into with Franchisor, any of our affiliates, or franchisees, or with any person or

entity with whom you are or become affiliated.

(e) You agree that the methods and Operating System developed by Franchisor for the operation of the Waxxpot® Franchise Units are unique and novel. You acknowledge that you have been advised that Franchisor is unwilling to share its information, confidential material and other trade secrets or operations except upon the terms set forth in this Agreement, including the requirement of confidentiality and requirement of non-competition as defined below.

(f) You agree not to divulge any Confidential Information received as a result of this Agreement; that you will not, during the term of this Agreement, or at any time thereafter, use such Confidential Information at any location of a Competitive Business or for the benefit of any location of a Competitive Business other than a location for which a Franchise Agreement with Franchisor has been entered into; that you will not, directly or indirectly, use for your benefit or communicate or divulge to, or use for the benefit of any other person or entity any trade secrets, confidential information, knowledge or know-how concerning advertising, marketing, designs, plans, software, programs or methods of operation of the stores or the System.

(g) You agree that the covenants and agreements contained herein, are taken as a whole, reasonable with respect to the activities covered and their geographic scope and duration, and no party shall raise any issue of the reasonableness of the areas, activities or duration of any such covenants in any such proceeding to enforce any such covenants. Each of you acknowledge and agree that you have other skills and resources and that the restrictions contained herein will not hinder your activities or ability to make a living either under the Agreements or otherwise.

(h) You, and each of you, agree that a violation of the provisions of this agreement will cause irreparable harm to Franchisor and, therefore, in the event of any such violation, Franchisor shall be entitled to injunctive relief against you for such violation. In the event that damages caused by the violation cannot be accurately determined, Franchisor will also be entitled to receive as liquidated damages, compensation from the party or parties who have violated or have participated in the violation of the provisions of this Section, in an amount equal to the then current initial Franchisee Fee paid by Franchisee to Franchisor under the terms of Franchisor's then current Franchise Agreement.

(i) The failure of Franchisor to enforce any of the provisions of this Agreement, or any such right with respect to any other party to this Agreement, shall not constitute a waiver or limit any of Franchisor's rights hereunder.

(j) The existence of any claim or cause of action which any party may have against Franchisor, whether based on this Agreement, its termination or any other cause, shall not constitute a defense against the enforcement by Franchisor of any of the covenants of this Section.

(k) The parties agree that in the event that any provision of this agreement is declared void or unenforceable by any court in any state, such determination shall not affect any other provision of this Section, nor shall such determination affect the enforceability of such provision in any other state. To the extent required by the laws of the State in which the store is located, the duration of and the geographic scope of included within the foregoing covenants, or both, shall be deemed amended. This Agreement shall be governed and interpreted in all respects, whether as to validity, construction, capacity, performance or otherwise under the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. The parties to this Agreement agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue.

2. <u>Guaranty of Payment of Amounts Due From Franchisee</u>.

(a) Each of you owning six percent (6%) or more of equity, voting rights, options, warrants and rights to acquire an interest in the Franchisee, personally and unconditionally guarantees to Franchisor and its Affiliates, their successors and/or assigns (hereinafter the "Group"), the punctual payment when due of all sums, indebtedness and liabilities of every kind and nature that Franchisee may now or in the future owe to any member of the Group including all reasonable costs of collection, including reasonable attorney's fees and interest at the maximum legal rate of interest for judgments in the state where the store is located, from the date due until paid in full.

(b) Each of you agree that: (i) the liability under this guaranty shall be joint and several; (ii) this is a guaranty of payment and not of collection and you shall render any payment required under this Agreement or this guaranty upon demand of the appropriate member of the Group; (iii) this guaranty shall extend to all amounts you or the Franchisee may now owe or shall owe in the future to any member of the Group; (iv) Your liability under this guaranty shall not be contingent or conditioned upon pursuit by the Group of any remedies against Franchisee or any of you; (v) your liability hereunder shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence or waiver that any member of the Group may from time to time grant to Franchisee or any of you, including, but not limited to, the release of any other guarantor, or consent by the Group to any transfer or assignment of the franchise or any interest therein and the Group expressly reserves all rights that we may have against you.

(c) This guaranty and your obligations under it shall continue until the earlier of twelve (12) months after the date you send us written notice and evidence that you have ceased to own any Franchise Unit or any beneficial interest therein and such transfer was approved by us in accordance with the terms of the Agreements or eleven (11) years from the date of the execution of this guaranty, provided however, if the Agreement or Franchise are renewed, this guaranty shall be extended for a period equal to the renewal period plus twelve (12) months. The term of this guaranty shall also be extended during any period which any member of the Group is involved in any judicial or administrative process with Franchisee, or any of you to collect any amounts owed or to enforce the terms of this guaranty or if a bankruptcy or similar proceeding is commenced involving Franchisee or any of you.

(d) Each of you waives notice of demand, notice of protest, non-payment or default, and all other notices to which you or Franchisee may be entitled, and all surety-ship and guarantor's defenses generally and any and all other notices and legal or equitable defenses to which you may be entitled. You waive all exemptions which you may now have or may be entitled to in the future under the laws of this or any other state or the United States. You waive any right you may have to require that an action be brought against Franchisee or any other person as a condition to your liability and further waive any right you may have to payments and claims for reimbursement or subrogation that you may have against Franchisee arising as the result of your execution and performance of this guaranty.

(e) This guaranty is personal to you and the obligations and duties imposed in it may not be delegated or assigned. This guaranty shall be binding upon your heirs, assigns, successors, estates and personal representatives. This guaranty shall inure to the benefit of the Group, and the affiliates, successors and assigns of any of the Group.

(f) If one or more provisions of this guaranty shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this guaranty shall be construed to bind you to the maximum extent permitted by law that is subsumed within the terms of such provisions as though it were separately stated herein.

SPACE INTENTIONALLY LEFT BLANK
SEE SIGNATURE PAGE ON NEXT PAGE

IN TESTIMONY WHEREOF, each of you has signed this Agreement on the date set forth opposite your signature.

Signature:_____ Date: _____

Name:_____
Address: _____

Telephone Number: _____

EXHIBIT F

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT AND COVENANT NOT TO COMPETE
(Franchisee)

This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete is entered into as of the date or dates set forth below by and between _____ ("Franchisee") and The Waxxpot Group Franchise, LLC ("Franchisor").

WHEREAS, Franchisor is the Franchisor of Waxxpot® Franchise Units and has the authority to disclose and discuss all information relating to the operations of a Franchise Unit (hereinafter referred to as "Waxxpot Business," "Business," or "Franchise Unit");

WHEREAS, confidential information will be disclosed to Franchisee; and

WHEREAS, such confidential information gives Franchisor and Franchisee a competitive advantage over those who do not know it and who may compete with Waxxpot® System, its affiliates or its franchisees by Franchise Units that may or may not utilize a similar concept.

NOW, THEREFORE, in order to induce Franchisor to transmit the aforesaid Information to it, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee hereby agrees as follows:

1. The term "Information" shall mean, but shall not be limited to, any and all information concerning the Business, including but not limited to all information contained in Franchisor's Operations Manuals, Training Manuals, or other Manuals provided to Franchisee by Franchisor, all memoranda, notes, disks, digital information obtained from Franchisor's website or otherwise, cost analysis, trademarks, copyrights, logos, signage, blueprints, sketches, methods, processes, designs, plans, property, reports and documents, Franchisor's operational, manufacturing, administrative, merchandising, marketing, costing, production and related information, information concerning the business, operations and markets of the Franchise Units, and all copies and extracts thereof, prepared by or on behalf of Franchisor or any of its officers, employees, attorneys, representatives, agents or consultants, which is disclosed to or acquired by Franchisee directly or indirectly from Franchisor in the course of activities related to the purchase and sale of a franchise of said Business, or which is obtained by Franchisee through an inspection of any facility employing Information.

2. Franchisee agrees to retain all Information in strict confidence and not use it except as otherwise provided herein and Franchisee agrees not to claim any right or interest in or to disclose Information to others.

3. Franchisee shall have the right to communicate Information to its shareholders, officers,

directors, members, Operating Partner, managers, employees, agents, and its attorneys and other representatives approved in advance by Franchisor to the extent necessary for such person to perform his/her functions in the operation of the Franchise Unit. Franchisee agrees to cause any person to whom Information is disclosed to maintain the strict confidentiality of such Information and cause such persons to execute a written Confidentiality and Nondisclosure Agreement in a form prescribed by Franchisor. An Owners Agreement in a form to be designated by Franchisor is to be executed by all partners if Franchise is a partnership or limited partnership; all officers and shareholders if Franchisee is a corporation, and all members if Franchisee is a limited liability company. This Confidentiality and Nondisclosure Agreement and Covenant Not to Compete must also be executed by Franchisee's Principal Operator, managers, and any other person with access to any Information, who by execution of this agreement, agree that the grant of the license and franchise to Franchisee is conditioned upon their execution of this agreement and their employment by Franchisee is sufficient consideration to support your execution of this agreement.

4. In the event the relationship contemplated by the Franchise Agreement between Franchisee and Franchisor terminates or expires without renewal, then Franchisee agrees not to use any of the Information to lease to, own, operate or develop a business which offers to the public, the services of waxing/or hair removal, including, but not limited to aestheticians, cosmetologists or similar services ("Competitive Business"). Franchisee shall also return to Franchisor all Information supplied to it by Franchisor pertaining to the business or Franchise Unit, and shall not retain any copies or other reproductions, or extracts thereof, prepared by Franchisee or any of its officers, employees, attorneys, representatives or consultants, in connection with the Franchise Unit. Franchisee, or an authorized representative of Franchisee, shall provide a certificate to Franchisor that all of the foregoing have in fact been destroyed.

5. (a) Franchisee acknowledges that the Information disclosed to Franchisee and all other aspects of the franchise system are highly valuable assets of Franchisor, and Franchisee agrees that it shall not, without the prior written consent of the Franchisor (i) during the term of any franchise agreement, area development agreement, or any similar agreement between the Franchisee (or a person or entity affiliated with the Franchisee) and Franchisor (collectively, a "Franchise Agreement"), directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal, agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, lease to or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any business that offers the services of waxing/or hair removal, including, but not limited to aestheticians, cosmetologists or similar services ("Competitive Business") unless such Competitive Business is operated pursuant to a written license or other agreement with Franchisor, and (ii) for a period of two (2) years from the date of the Franchise Agreement's termination or expiration without renewal, directly or indirectly, including, without limitation, individually or in partnership or jointly or in conjunction with any person, as principal agent, shareholder or in any other manner whatsoever, carry on, be engaged in or be concerned with or

interested in or advise, lend money to, guarantee the debts or obligations of, lease to, or permit its name or any part thereof to be used or employed by any person or entity engaged in or concerned with or interested in any Competitive Business within twenty-five (25) miles of the Franchise Unit or any other Franchise Unit, unless such other business is operated pursuant to a written license or other agreement with Franchisor. Franchisee agrees to cause all persons to whom it has disclosed Information to execute a written Covenant Not to Compete in a form prescribed by Franchisor.

(b) Franchisee also acknowledges and agrees that if Franchisee should violate the provisions of this Section 5(a) of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete with respect to the operation of a competing business following expiration or termination of this Confidentiality and Nondisclosure Agreement and Covenant not to Compete, then the period for which the prohibition stated therein shall be applicable shall be extended until two (2) years following the date Franchisee ceases all activities that are in violation of such provision.

6. Franchisee acknowledges that it will be difficult to measure accurately the damages to Franchisor from any breach by Franchisee of the covenants and restrictions set forth herein, that the injury to Franchisor from any such breach would be incalculable and irremediable and the damages would not, therefore in and of themselves, be an adequate remedy. Franchisee therefore agrees that in the event it shall breach or attempt to breach any of the terms of this Agreement, Franchisor shall be entitled as a matter of right to obtain from any court of competent jurisdiction an injunction (i) prohibiting Franchisee from any further breaches of this Agreement; (ii) rescinding any action taken by Franchisee contrary to the terms of this Agreement; and (iii) authorizing Franchisor to recover from Franchisee any and all salaries, fees, commissions, income, profits or other remuneration or gain which Franchisee may have received or to which it may have become entitled to receive from or by reason of the conducting of any activity in violation of the terms, conditions or covenants of this Agreement. The issuance of such an injunction will not prevent Franchisor from obtaining such other relief as is appropriate under the circumstances, such as the award of other monetary damages.

7. This Agreement shall be governed and interpreted in all respects, whether as to validity, construction, capacity, performance or otherwise under the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. The parties to this Agreement agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue.

8. In the event any Paragraph or portion of any Paragraph in this Agreement shall be determined to be invalid or unenforceable for any reasons, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining valid and enforceable Paragraphs hereof, which shall be construed as if such invalid or unenforceable Paragraph or Paragraphshad not been inserted.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year written below.

FRANCHISEE:
_____

FRANCHISOR:
THE WAXXPOT GROUP FRANCHISE, LLC

By:_____ Title:_____ Dated:_____

Operating Partner:

_____

Managers and Employees:

_____

_____

_____

_____

EXHIBIT G

REAL ESTATE OPTION TO PURCHASE

REAL ESTATE OPTION TO PURCHASE

THIS AGREEMENT is entered into between The Waxxpot Group Franchise, LLC, located at 4211 S. Lamar Blvd., Austin, TX 78704 (hereinafter referred to as "Franchisor") and _____ located at _____ (hereinafter referred to as "Franchisee").

WHEREAS, Franchisee and Franchisor have entered into a Franchise Agreement by which Franchisee acquired the right to establish and operate a Waxxpot® Franchise Unit using the Trademarks and Waxxpot® System as those terms are defined in the Franchise Agreement, which Agreement is dated the____day of_____, 20 (hereinafter referred to as the "Franchise Agreement");

WHEREAS, the Franchise Agreement requires that Franchisor approve the location for the unit to be established pursuant to the above referenced Franchise Agreement, that approval being conditioned upon the execution of this Real Estate Option to Purchase in the event Franchisee owns or controls the real estate;

WHEREAS, the Franchisee has submitted for Franchisor's approval particular real estate.

NOW THEREFORE, it is hereby agreed as follows:

1. Option. Franchisee hereby grants to Franchisor the option to purchase the real estate described in Exhibit "A" (and hereinafter referred to as the "Real Estate") upon the expiration without renewal or termination of the Franchise Agreement. Any transfer, renewal, extension, or amendment of the Franchise Agreement shall not affect this Option Agreement unless expressly so provided. The terms of the Option rights are as follows:

a. **Exercise of Option**. Within fifteen (15) days following the termination or expiration without renewal of the Franchise Agreement as provided for in the Franchise Agreement, Franchisor may notify Franchisee, in writing of its intention to exercise this option to purchase the Real Estate, and which notice shall constitute an agreement to purchase the Real Estate conditioned upon Franchisor obtaining any necessary financing. After Franchisor notifies Franchisee of the exercise of the option, Franchisor shall take possession of the premises and shall pay to Franchisee on a weekly basis, an amount equal to .02% of the tax assessed value of the property until closing, which payments shall be credited to the purchase price. The closing of the sale shall occur as soon as all documentation and other matters have been completed, including the obtaining of any necessary financing, but in any event not later than ninety (90) days after the date upon which the fair market value of the Real Estate is established, as provided in Paragraph B below, unless the parties hereto agree to a later closing date. At closing, all utilities and taxes shall be prorated to the date of possession. Franchisee shall provide, at owners cost, an owner's policy of title insurance or, at Franchisor's request, a complete abstract of property.

b. **Fair Market Value**. The parties will attempt to agree upon a fair price for the purchase of the Real Estate, but upon failing to do so within thirty (30) days from the date of the exercise of this option by Franchisor, Franchisor shall select and pay for the services of a qualified appraiser to establish the fair market value of the Real Estate, and a copy of that appraisal shall be provided to Franchisee. Within ten (10) days after Franchisee receives the written appraisal, Franchisee shall advise Franchisor, in writing, as to whether Franchisee accepts the appraisal. If the appraisal is acceptable to both Franchisor and Franchisee, then the amount stated therein shall be the purchase price. If Franchisee rejects the value stated in the appraisal, then Franchisee must notify Franchisor of its rejection within the ten (10) day period (failing to so notify shall be deemed to be an acceptance) and thereafter Franchisee shall select and pay for the services of a qualified appraiser to appraise the value of the property within fifteen (15) days thereafter. Franchisee shall provide Franchisor with a copy of the appraisal so obtained, within thirty (30) days after its rejection of the appraisal obtained by Franchisor. If Franchisor accepts the value stated therein, then the amount stated therein shall be the purchase price. If Franchisor rejects the value stated in this appraisal, then two appraisers shall select a third appraiser within the 15 days thereafter whose determination of fair market value as to the property shall be final and binding on the parties. The cost of the third appraiser shall be paid equally by both the Franchisor and the Franchisee.

c. **Possession**. Upon receipt of Franchisor's notice that it is exercising the option to purchase, Franchisee shall immediately vacate the premises and transfer possession of them to Franchisor. From the date of possession to the date of the closing, Franchisor shall pay on or before Friday of each week a per diem rate equal to two percent (2%) of the assessed value on the property, with the final adjustment to be made at closing equal to two percent (2%) of the purchase price for the real estate. All utilities and taxes shall be prorated as of the date of possession. Taxes shall be deemed to cover the calendar year in which the taxes become a lien. Taxes that become a lien in years prior to the year of closing shall be paid by Franchisee without proration. Taxes that become a lien in the year of closing shall be prorated so that the Franchisee shall be charged with taxes from the first of the year to closing date and Franchisor shall be charged with taxes for the balance of the year. If any bill for taxes pro-ratable under this provision has not yet been issued, the corresponding tax bill for the last previous year shall be substituted therefore and used in proration. Franchisee shall provide an owner's policy of title insurance without exceptions covering the real estate at Franchisee's expense, or at Franchisor's option, a complete abstract showing marketable title, together with a ten year tax history, tax lien search, and financing statements search, all certified to the date of the transfer of possession to Franchisor, the cost of the abstract to be paid by Franchisee. Franchisee shall maintain insurance on the real estate to the date of closing, with Franchisor becoming responsible for insuring the property beginning with the date of closing.

2. Miscellaneous.

a. **Applicable Law**. Unless prohibited by the law of the state where the real estate is located, this Agreement shall be governed and interpreted in all respects, whether as to validity, construction, capacity, performance or otherwise under the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. The parties to this Agreement agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue.

b. **Integration**. This Agreement together with the Franchise Agreement, and any addendums that are attached hereto and are executed on the date hereof which are hereby incorporated herein, contain all of the terms and conditions agreed upon by the parties. No promises or representations have been made by Franchisor other than herein set forth. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Salon and the Franchisee.

c. **Arbitration**. Any dispute between the parties, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration as provided for in the Franchise Agreement.

This Agreement is executed this_____day of_____20 .

Signed in the presence of:

THE WAXXPOT GROUP FRANCHISE, LLC

By: _____

It's: _____

FRANCHISEE: _____

By: _____

It's: _____

NOTARY CERTIFICATES

STATE OF _____

COUNTY OF _____

Subscribed, sworn to and acknowledged before me by_____, by and on behalf of The Waxxpot Group Franchise, LLC, this_____day of_____, 20___.

My Commission Expires:_____.

_____
NOTARY PUBLIC_____

STATE OF _____

COUNTY OF _____

Subscribed, sworn to and acknowledged before me by_____, by and on behalf of_____(Franchisee) this_____day of_____, 20___.

My Commission Expires:_____.

_____
NOTARY PUBLIC_____

When recorded return to The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704.

EXHIBIT H

REAL ESTATE LEASE RIDER

REAL ESTATE LEASE RIDER

THIS AGREEMENT is made and entered into between THE WAXXPOT GROUP FRANCHISE, LLC, located at 4211 S. Lamar Blvd., Austin, TX 78704, ("Franchisor") and _____, located at _____, ("Franchisee").

WHEREAS, Franchisor and Franchisee have executed a Franchise Agreement on the _____ day of_____, 20___for the establishment of a Franchise Unit to be operated pursuant to Franchisor's Trademarks as that term is defined in the Franchise Agreement.

WHEREAS, the Franchise Agreement requires the execution of this Real Estate Lease Rider if the real estate for the establishment of the Franchise Unit pursuant to the Franchise Agreement is leased by the Franchisee;

WHEREAS, Franchisee proposes to enter into a real estate lease for the premises of the Franchise Unit to be operated pursuant to the Franchise Agreement, which lease is dated the _____ day of_____, 20 , a copy of which is attached hereto (as Exhibit "A") and which is incorporated herein by reference (hereinafter referred to as the "Real Estate Lease"):

NOW THEREFORE, it is hereby agreed as follows:

1. Conditional Assignment. Franchisee hereby assigns to Franchisor all of Franchisee's right, title, and interest in and to the Real Estate Lease, including any and all rights or options of Franchisee to extend, renew, or purchase the leased property through a right of first refusal or otherwise, such assignment to become effective at Franchisor's option upon the occurrence of either of the following:

A. **Termination of Franchise Agreement**. Upon termination or expiration without renewal of the Franchise Agreement, notification by Franchisor to Franchisee, in writing, of its intention to assume the Real Estate Lease. Such notice shall be given in the manner prescribed by this Real Estate Lease Rider.

B. **Termination of Real Estate Lease**. Upon termination of the Real Estate Lease as to Franchisee or termination of Franchisee's possession rights under the Real Estate Lease, whether by Franchisee's default under Real Estate Lease or otherwise, Franchisor shall have the option to accept the assignment of the Real Estate Lease pursuant to this Agreement by giving the notice prescribed by this Real Estate Lease Rider, in which case it is agreed the Real Estate Lease shall remain in effect as to Franchisor.

C. **Failure to Renew Real Estate Lease**. If Franchisee fails to renew the term of the Real Estate Lease or fails to exercise its option to renew the Real Estate Lease for an additional term, Franchisor shall have the option to accept assignment of the Real Estate Lease pursuant to this Agreement by giving the notice presented by this Real Estate Lease Rider. Franchisor shall have an

additional thirty (30) days to exercise any and all rights under the Real Estate Lease after the effective date of the assignment of the Real Estate Lease under this Agreement.

D. **Franchisee Right to Assign**. At Franchisee's discretion, Franchisee may assign Real Estate Lease to Franchisor, and Franchisor may accept such assignment, at any time.

2. **Effect of Assignment**. Upon Franchisor's exercise of its option to take the above-described assignment:

A. The Real Estate Lease shall be terminated as to Franchisee; provided, however that Franchisee shall remain liable for any amounts owing, or any other default occurring, prior to the effective date of assignment.

B. Franchisor shall succeed to all of Franchisee's rights, options, and obligations under the Real Estate Lease commencing with the effective date of the assignment and shall have the right to transfer or assign the Real Estate Lease to another franchisee without the need to seek consent from the Lessor. Franchisor's transfer to another franchisee relieves Franchisor from any further liability under the Real Estate Lease.

3. **Notice of Franchisee's Default**.

A. **Lessor's Notice**. Lessor shall provide Franchisor notice of any default under the Real Estate Lease. Franchisor shall have the option (but not obligation) to cure any default should Franchisee fail to cure the default within the period in which Franchisee had to cure the default. At the expiration of Franchisee's period in which Franchisee had to cure any default, Franchisor shall then have fifteen (15) days in which to make its decision to cure. Franchisor may cure Franchisee's default without exercising its option to accept assignment of the Real Estate Lease and, in such event, Lessor agrees to accept Franchisor's cure as if made timely by Franchisee. Lessor shall give Franchisor written notice at least thirty (30) days prior to the termination of the Real Estate Lease, expiration without renewal, or date of re-entry or repossession. Franchisor shall have thirty (30) days after written notice from Lessor to exercise this option to accept assignment of the Real Estate Lease. Franchisor may exercise its option to accept assignment of the Real Estate Lease by written notice to the Lessor, and the assignment shall be effective upon the termination of the Real Estate Lease as to Franchisee.

B. **Franchisor's Notice**. Franchisor shall give Lessor copies of any or all notices of termination given to Franchisee pursuant to the Franchise Agreement, and if Franchisor desires to exercise its option to accept the assignment of the Lease in the event of Franchisee's failure to cure the default of the Franchise Agreement, shall provide Lessor with a written notice on or before the date of termination of the Franchise Agreement. It is hereby agreed that Lessor may rely

solely upon the written notice received from Franchisor as to the termination or expiration without renewal of the Franchise Agreement, and Franchisee hereby releases the Lessor from any liability for relying upon such notice and shall hold the Lessor harmless from any and all liability to Lessee for any action Lessor may take in such reliance.

4. Notice. Notice required by this Agreement shall be sent by overnight, certified or registered mail to Franchisor at the following address:

The Waxxpot Group Franchise, LLC
4211 S. Lamar Blvd., Austin, TX 78704

with a copy to:

Notice required by this Agreement shall be sent to Franchisee at the following address:

Notice required by this Agreement shall be sent to Lessor at the following address:

Notice shall be deemed effective on the date received, and regardless of whether the notice is signed for by the recipient, notice shall be deemed received three (3) business days after mailing. Parties may change the notice address by providing written notice to the other parties of a change in such notice address.

5. Execution of the Documents. Franchisee hereby agrees to execute any and all documents requested by Franchisor in order to fully exercise any of the rights under the Real Estate Lease or this Real Estate Lease Rider. If Franchisee shall not have executed any such document within the three (3) days after having been so requested by Franchisor, Franchisee hereby appoints any member or officer of Franchisor as its attorney-in-fact with the full right and power to execute any and all such documents.

6. Renewal, Extension, or Amendment. Any renewal or extension of the Real Estate Lease, or any amendment to this Agreement or the Real Estate Lease of any type, can only be made by a writing executed by all three parties to this Agreement.

7. Indemnification. Franchisor shall indemnify and hold Franchisee harmless from any and all liability which may accrue after the effective date of the assignment of the Real Estate Lease under the terms of that Lease. Franchisee shall indemnify and hold Franchisor harmless from any and all liability that Franchisor may incur after the effective date of the assignment of the Real Estate Lease arising under the terms of that Lease from Franchisee's acts or omissions occurring prior the effective date of the assignment, excluding only any liability prior to the assignment that Franchisor agrees in writing to assume and from which Franchisor agrees to hold Franchisee harmless.

8. Miscellaneous.

A. Use of Real Estate. Lessor hereby agrees to and acknowledges Franchisee's right to use and display Franchisor's Trademarks as that term is used in the Franchise Agreement, subject only to any limitations imposed by Franchisor and any local, state, or federal law. Lessor agrees that it will not limit Franchisee's right to use Franchisor's Trademarks. Lessor further agrees to and acknowledges that the real estate subject to the Real Estate Lease shall be used solely for the operation of a Franchise Unit using Franchisor's System. Lessor agrees to notify Franchisor in the event that Franchisee begins to use real estate in any other manner and Lessor shall consider such use as an event of default.

B. Applicable Law. Unless prohibited by the law of the state where the real estate is located, this Agreement shall be governed and interpreted in all respects, whether as to validity, construction, capacity, performance or otherwise under the laws of the state of Ohio and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Ohio, which laws shall prevail in the event of any conflict of law. The parties to this Agreement agree to submit to the exclusive jurisdiction of the state and federal courts in Franklin County, Ohio, even if additional persons are named as parties to such litigation (unless the courts of the applicable state would have no jurisdiction over such additional persons). No action or proceeding involving this Agreement or any aspect of the relationship between the parties or their agents or affiliates shall be commenced by any party except in the state or federal courts governing Franklin County, Ohio, nor shall any such action be transferred to any other venue.

C. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the parties, except for: (i) the provisions of the Real Estate Lease which are incorporated herein, and (ii) as between Franchisor and Franchisee, the provisions of the Franchise Agreement and related agreements. The parties agree that all representations which have been made by the other parties that in any way are to be given effect herein are set forth in this Agreement and the above-referenced documents.

D. New Real Estate Lease. It is hereby agreed that if the Real Estate Lease is terminated or expires without renewal, and the Franchisee and Lessor enter into a new lease arrangement, any such new real estate lease shall be deemed to be the Real Estate Lease for purposes of this Real Estate Lease Rider thereby making it fully applicable to the new lease.

E. Option to Purchase. In the event Franchisee purchases the real estate, Franchisee agrees to execute the Real Estate Option to Purchase in the form then prescribed by Franchisor.

F. **Arbitration**. Any dispute between the parties, and any claim by either party that cannot be amicably settled, shall be determined solely and exclusively by arbitration as provided for in the Franchise Agreement.

This Real Estate Lease Rider is executed this_____day of_____, 20 .

THE WAXXPOT GROUP FRANCHISE, LLC

By: _____

It's_____

FRANCHISEE: _____

By: _____

It's_____

LESSOR'S CONSENT

The undersigned Lessor hereby consents and agrees to the foregoing Real Estate Lease Rider between The Waxxpot Group Franchise, LLC ("Franchisor") and _____("Franchisee").

Dated: _____

LESSOR: _____

By: _____

It=s: _____

STATE OF _____
COUNTY OF _____

Subscribed, sworn to and acknowledged beforeme by_____, this _____day of_____, 20 .

My Commission Expires:_____.

_____
Notary Public, _____

STATE OF _____
COUNTY OF _____

Subscribed, sworn to and acknowledged beforeme by_____, this _____day of_____, 20 .

My Commission Expires:_____.

_____
Notary Public, _____

STATE OF _____
COUNTY OF _____

Subscribed, sworn to and acknowledged beforeme by_____, this _____day of_____, 20 .

My Commission Expires:_____.

_____

Notary Public, _____

EXHIBIT I

DEBIT AUTHORIZATION

THE WAXXPOT GROUP FRANCHISE, LLC

AUTHORIZATION TO HONOR CHECKS AND DEBITS DRAWN BY AND PAYABLE TO THE FOLLOWING PAYEE(S).

1. (Check Applicable Box)	Bank Name	Account #	ABA #
The Waxxpot Group Franchise, LLC			

2. Bank Account in Name of: _____

Attach one voided check for the above account to this sheet.

3. Store Number: _____
4. For Information Call: _____

   Address: _____

   Telephone: _____

   Fax Number: _____

TO THE DESIGNATED BANK:

You are hereby requested and authorized to honor and to charge the foregoing account, checks and electronic debits (collectively "debits") drawn on such account which are payable to any of the above named Payees. It is agreed that your rights with regard to each such debit shall be the same as if it bore a signature authorized for such account. It is further agreed that if any such debit is not honored, whether with or without cause, you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

5. Date: _____ 6. _____

Name of Franchisee (Please Print)

7. _____

Signature and Title of Authorized Representative

INDEMNIFICATION AGREEMENT

To the above named Payees and the Bank Designated:

The Payor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, but not limited to, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs reasonably incurred in connection therewith.

(2) To indemnify the Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

---

1. BE SURE ALL SPACES ARE COMPLETED.

2. RETURN ONE SIGNED COPY WITH THE VOIDED CHECK TO THE PAYEE.

EXHIBIT J

GENERAL RELEASE

[THIS IS ONLY A FORM. IT MAY BE MODIFIED IN THE FUTURE TO ACCOUNT FOR CHANGES IN THE LAW OR HOW WE OPERATE, OR AS APPROPRIATE FOR YOUR SPECIFIC TRANSACTION. THE TERMS OF RELEASE MAY BE MADE PART OF ANOTHER DOCUMENT CONTAINING ADDITIONAL TERMS AND CONDITIONS RELATIVE TO YOUR RENEWAL OR TRANSFER.]

GENERAL RELEASE

This General Release (this "Release") is made by_____[NAME OF FRANCHISEE ("Franchisee") and_____[NAME OF OWNER], an individual ("Owner"), in favor of The Waxxpot Group Franchise, LLC ("Franchisor") and certain related parties as set forth below effective as of_____, 20_ (the "Effective Date").]

Franchisor is the franchisor of Waxxpot® Franchised Units and development territories.

Franchisor and Franchisee (or its predecessor in interest) entered into a Franchise Agreement dated_____, (the "Franchise Agreement") for the operation of Waxxpot® Franchised Units (the "Franchised Business") located in _____ for a term that will expire on_____.

Owner owns all of the issued and outstanding ownership interest in Franchisee.

Franchisee and Owner wish to [renew/transfer] the franchise rights as provided in the Franchise Agreement.

A release of all claims against Franchisor and related parties by Franchisee and Owner is one of the conditions that must be satisfied in order to [renew/transfer] the franchise under the Franchise Agreement.

Therefore, in consideration of these premises, and for other good and valuable consideration, receipt of which is hereby acknowledged, Franchisee and Owner agree (jointly and severally) as follows:

1. Release and Covenant Not to Sue by Franchisee and Owner. Except as provided below in Section 2, Franchisee and Owner for themselves and for each of their respective predecessors, shareholders, officers, directors, members, partners, owners, successors, assigns, affiliates, family members, heirs, executors, administrators and personal representatives and anyone claiming through or under them (collectively the "Franchisee Parties"), hereby release, acquit and forever discharge Franchisor and its predecessors, successors, assigns, parent company, subsidiaries, affiliates, officers, directors, stockholders, employees, attorneys, accountants and other representatives (collectively the "Franchisor Parties") of and from any and all claims, demands, debts, obligations, damages, causes of action and claims for relief of any nature whatsoever (the "Claims"), whether relating to the Franchised Business or any other transaction, event, circumstance, act or omission, whether known or unknown, fixed or contingent, which the Franchisee Parties or any of them have against the Franchisor Parties by

reason of any matter, event or cause whatsoever occurring or arising at any time prior to and including the Effective Date of this Release stated above. Franchisee and Owner, for themselves and on behalf of the other Franchisee Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that Franchisee and Owner have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

2. Limitations on Release. This release expressly excludes, as applicable, any claims arising under the Maryland Franchise Registration and Disclosure Law and under Article 33 of the General Business Law of the State of New York, and will not operate to limit or relieve any person from any liability imposed by Minnesota Statutes, sections 80C.01 or 80C.22.

3. Representations. Franchisee and Owner jointly and severally represent, warrant, agree and acknowledge:

a. That Franchisee and Owner had the opportunity to consult with legal counsel in making this Release and that Franchisee and Owner have read and fully understands the terms of this Release and that this Release was entered into by each freely and voluntarily;

b. That the validity of this Release is a condition to and essential consideration for the [renewal/transfer] of the franchise rights;

c. That in addition to this Release, there are other conditions to the [renewal/transfer] of the franchise as set forth in the Franchise Agreement that must be satisfied in order to have the franchise [renewed/transferred]; and

d. That Franchisee and Owner currently own the franchise rights and the Franchised Business and all of the Claims released hereby and have not heretofore assigned any interest in the franchise, the Franchise Agreement, the Franchised Business, the ownership of Franchisee or any of the Claims released hereby.

4. Entire Agreement. This Release contains the entire agreement by Franchisee and Owner with respect to the release required for [renewal/transfer] of the franchise rights. All prior discussions, negotiations, and representations concerning this matter are superseded by this Release.

5. Governing Law. This Release will be governed by the laws of Ohio.

FRANCHISEE:

_____

_____
Name(s) of Franchisee Above

Signature lines For Franchisee who is natural person (not corporation, etc.)

_____ **Dated:** _____
Signature of Franchisee

_____ **Dated:** _____
Signature of Franchisee

Signature line for Franchisee not natural person (corporation, etc.)

By: _____

As its: _____

Dated: _____

Signature line for Owner of Franchisee

[NAME OF OWNER], Individually

EXHIBIT K

LIST OF OUTLETS

LIST OF OUTLETS

Franchisees

Name	Address	Phone Number
Ohio		
Sean Cahill	P.O. Box 10636, Columbus, OH 43201	(513) 383-2758
Texas		
Tom & Stephanie Sloss	4001 North Lamar, Ste. 490, Austin, TX 78756	(512) 363-7978

Franchisees Who Signed But Are Not Opened As Of December 31, 2021

Name	Address	Phone Number
Ohio		
Jodi Buzack	67166 Veto Drive, Bellarie, OH 43906	(304) 615-5718

The Waxxpot Group, LLC's (our affiliate) Locations (100% Ownership)

Waxxpot – Short North
1188 North High Street, Columbus, OH 43215 Opened March 2016
Contact: Robert Wharton
Phone: 614-299-9299

Waxxpot – Gahanna
4687 Morse Road, Gahanna, OH 43230 Opened November 2016
Contact: Robert Wharton
Phone: 614-383-7344

Waxxpot – Grandview
999 West 5th Avenue, Columbus, OH 43212 Opened September 2017
Contact: Robert Wharton
Phone: 614-549-7770

Waxxpot – Dublin
7605 Sawmill Road, Dublin, OH 43016 Opened June 2018
Contact: Robert Wharton
Phone: 614-659-7138

Waxxpot – Polaris
1207 Polaris Parkway, Columbus, OH 43240 Opened September 2018
Contact: Robert Wharton
Phone: 614-896-8344

Waxxpot – Austin South

4211 South Lamar Blvd, Austin, TX 78704 Opened March 2019

Contact: Robert Wharton

Phone: 512-382-0977

Waxxpot – Austin Seaholm

Under Construction – Target Opening March 2020

Contact: Robert Wharton

Phone: N/A

Affiliated Locations (The Waxxpot Group, LLC (our affiliate) Partial Ownership)

Waxxpot – Dayton (50% Ownership)
2415 Miamisburg-Centerville Road, Dayton, OH 45459 Opened October 2018
Contact: Deena Robinson
Phone: 937-813-7955

Waxxpot – Sandy Springs (50% Ownership)
5988 Roswell Road, Sandy Springs, GA 30328 Opened March 2018 Contact:
Sarah Alvarez
Phone: 404-303-9500

Waxxpot - Denver (33.3% Ownership)
760 South Colorado Blvd, Denver, CO 80246 Opened January 2019 Contact:
Scott Bergman
Phone: 303-997-9233

EXHIBIT L

ASSIGNMENT OF TELEPHONE NUMBERS, INTERNET LISTINGS AND GENERAL LISTINGS

THE WAXXPOT GROUP, LLC

ASSIGNMENT OF TELEPHONE NUMBERS, INTERNET LISTINGS AND GENERAL LISTINGS

THIS ASSIGNMENT is entered into this_____day of_____, 20 , pursuant to the terms of that certain The Waxxpot Group Franchise, LLC Franchise Agreement (the "Franchise Agreement") between_____, an_____("You"), and The Waxxpot Group Franchise, LLC, an Ohio limited liability company, ("we", "us", or "Franchisor") executed concurrently with this Assignment, under which we granted you the right to own and operate a Waxxpot® Franchise Unit located at _____ (the "Franchise Unit").

FOR VALUE RECEIVED, you hereby assign to us all of your right, title and interest in and to those certain telephone numbers, Internet Listings, (that may appear on Google My Business, Google Maps, or like sites or services) and general listing of your contact information listed below and all related telephone directory listings (in which ever directory they may exist) associated with our Marks, used in connection with the operation of the Franchise Unit referred to above. Except as otherwise provided herein, we assume and shall have no liability with regard to or arising from this Assignment unless we notify the telephone company and/or any listing agencies or directory owner/operators to effectuate the assignment provided for herein.

THE WAXXPOT GROUP FRANCHISE, LLC

FRANCHISEE:_____

_____

By:_____ Title: _____

Telephone Numbers:

_____

_____

_____

_____

_____

Internet Listings:

_____

_____

_____

_____

EXHIBIT M

FRANCHISEE QUESTIONNAIRE

FRANCHISEE QUESTIONNAIRE

As you know, THE WAXXPOT GROUP FRANCHISE, LLC (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Waxxpot® business (the "Franchise"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

QUESTION		YES	NO
1.	Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to you?		
2.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
3.	Do you understand all of the information contained in the Disclosure Document?		
4.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5.	Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____		
6.	Do you understand the terms of and your obligations under the Franchise Agreement?		
7.	Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8.	Do you understand the risks associated with operating the Franchise?		
9.	Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
11.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchise will generate that is contrary to, or different from, the information contained in the Disclosure Document?		

12.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs involved in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
13.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
14.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		

If you answered "Yes" to any of questions ten (10) through fourteen (14), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____
_____
_____
_____
_____
_____

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 responded truthfully to the above questions. No representations contained herein are intended to or will act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

NAME OF APPLICANT/FRANCHISEE: _____

Date: _____

_____
Signature

_____
Name and Title of Person Signing (Print)

EXHIBIT N

STATE LAW ADDENDA

THE WAXXPOT GROUP FRANCHISE, LLC

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, AREA DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT

The following modifications are to the THE WAXXPOT GROUP FRANCHISE, LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Area Development Agreement dated_____, 20___ (if applicable) and the Franchise Agreement dated_____, 20___.

The following states have statutes that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise, venues for disputes and governing law: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. 815 ILCS 705/1-44, INDIANA [Stat. Sections 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA
[Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [SDCL 37-5B], VIRGINIA [Code 13.1-557-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise, venues for disputes and governing law.

CALIFORNIA

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.
California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning transfers, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

The franchise agreement provides for termination upon bankruptcy. A provision in a franchise agreement that Terminates the franchise upon bankruptcy of the franchisee may not be enforceable under Title 11, U.S. Code § 101.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur at Columbus, Ohio OR Chillicothe, Ohio with each party paying their own costs, plus one-half the arbitrator's

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

The franchise agreement requires application of the laws of Ohio. This provision may not be enforceable under California Law.

The maximum interest rate allowed in California is 10%.

The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law. Section 31125 of the California Corporations Code requires the franchisor to give the franchisee a special disclosure document before soliciting a proposed material modification of an existing franchise.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the franchise investment law (California Corporations Code §§31000 through 31516). Business and professions code §20010 voids a waiver of your rights under the franchise relations act (business and professions code §§20000 through 20043).

In accordance with CAL. CONST., art. 15, § 1, Item 6 of the Franchise Disclosure Document and the franchise agreement are amended to indicate that any interest rate charged on past due amounts will be the highest contract rate of interest allowed by California law or the rate specified in the franchise agreement, whichever is less.

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

The following language is added to the end of Item 5 of the Disclosure Document:

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

ILLINOIS

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Franchisee's rights upon Termination and Non-Renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Item 5 of this Disclosure Document is amended as follows:

Franchisor shall defer the collection of the Initial Franchise Fee until the franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, the Area Development Agreement, the Franchise Agreement and Item 17 of the Disclosure Document are amended to comply with Ind. Code § 23-2-2.7-1(9).

The Area Development Agreement and the Franchise Agreement require binding arbitration. The arbitration will occur in a state other than Indiana, with costs possibly being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Area Development Agreement and the Franchise Agreement require application of the laws of another state. This provision is deleted from the Indiana Area Development Agreement and Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The franchise agreement requires you to sign a general release of claims as a condition of

renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

MARYLAND

The following amends Item 17 of the FDD and Franchise Agreement:

The following is added to the Special Risk Factors:

Pricing. We have the right to establish maximum, minimum, or other retil pricing requirements to the extent permitted by law.

The area development agreement and franchise agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.). Item 17 of the Franchise Disclosure Document, the Area Development Agreement and the Franchise Agreement are amended to add this provision.

The Franchise Agreement says that THE WAXXPOT GROUP FRANCHISE, LLC may require you to sign a general release of claims as a condition of renewal or resale of your franchise. Under Maryland law, COMAR 02.02.08.16L(1), this condition will not apply to any liability under the Maryland Franchise Registration and Disclosure Law, therefore Item 17 of the FDD and the Franchise Agreement is amended accordingly.

The Maryland Franchise Registration and Disclosure Law requires the franchisor to sign an irrevocable consent to be sued in Maryland, therefore, pertinent sections of the Area Development Agreement and Franchise Agreement are amended to permit a franchisee to bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Deferral. Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Dated this _____ day of _____ 20_____.

FRANCHISOR:

THE WAXXPOT GROUP FRANCHISE, LLC

By: _____
Title: _____

FRANCHISEE

By: _____
Title: _____

By: _____
Title: _____

Any claims arising under the Maryland Franchise Registration and Disclosure law must be brought within three years after the franchise is granted.

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Area Development Agreement and the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document, Area Development Agreement or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Franchise Disclosure Document, Area Development Agreement and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document, Area Development Agreement and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

You (the franchisee) cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Area Development Agreement, Franchise Agreement and Item 13 of the Franchise Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK

STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

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 the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

11. The collection of initial franchise fees will be deferred until the franchisor has fulfilled its pre-opening obligations and the franchisee is open for business.

OHIO NOTICE OF CANCELLATION

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement.

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to THE WAXXPOT GROUP FRANCHISE, LLC, 4211 S. Lamar Blvd., Austin, TX 78704 not later than midnight of_____.

I hereby cancel this transaction.

_____
(Purchaser's signature)

Date: _____

RHODE ISLAND

The Director of the Rhode Island Department of Business Regulation and the Rhode Island Securities Division require that certain provisions contained in franchise documents be amended to be consistent with the Rhode Island Franchise Investment Act (the "Act"). To the extent that the Franchise Disclosure Document, Area Development Agreement and/or Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in

a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

SOUTH DAKOTA

The Area Development Agreement and Franchise Agreement include a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the franchise agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law.

The Area Development Agreement and Franchise Agreement provide for arbitration in Ohio. Under South Dakota law, arbitration must be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Area Development Agreement and Franchise Agreement designate Ohio law as the governing law, except that the arbitration clause is to be construed under the Federal Arbitration Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but contractual and all other matters, will be subject to application, construction, enforcement, and interpretation under the governing law of Ohio.

Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the franchise agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Franchise Disclosure Document, Area Development Agreement and Franchise Agreement must afford a franchisee thirty (30) days written notice with an opportunity to cure the default prior to termination.

Pursuant to SDCL 37-5B-21 any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

Franchisor shall defer the collection of the Initial Franchise Fee until the franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The South Dakota Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may

supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

The franchisor will defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. The collection of the development fee under the Area Development Agreement shall be prorated with a portion of the development fee being collected after each unit opens.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

FRANCHISOR

FRANCHISEE This addendum may also be used as a rider to the Franchise Disclosure Document.

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

AMENDMENT TO
AREA DEVELOPMENT AGREEMENT, FRANCHISE AGREEMENT
AND FRANCHISE DISCLOSURE DOCUMENT
FOR THE WAXXPOT GROUP FRANCHISE, LLC
FOR THE STATE OF ILLINOIS

The following modifications are to the THE WAXXPOT GROUP FRANCHISE, LLC Franchise Disclosure Document, Area Development Agreement and Franchise Agreement for franchise sales concerning the State of Illinois and shall supersede those certain portions of the Franchise Disclosure Document, Franchise Agreement and Area Development Agreement provided to you.

The Area Development Agreement dated_____and/or Franchise Agreement dated_____between _____ ("Franchisee" or "You") and THE WAXXPOT GROUP FRANCHISE, LLC ("Franchisor") shall be amended by the addition of the following language, which shall be considered an integral part of the Area Development Agreement and/or Franchise Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat ch. 815 para. 705/1 - 705/44 (1994) (the "Act"). To the extent that the Franchise Disclosure Document, Area Development Agreement and/or Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of the Franchise Agreement If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Area Development Agreement and or Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If the Area Development Agreement or Franchise Agreement requires litigation to

be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.

d. If the Area Development Agreement or Franchise Agreement requires that it be governed other than by the State of Illinois, Illinois law will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. Section 41 of the Act (Waivers Void) provides that: Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

4. Deferral. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Principals acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby.

DATED this_____day of_____, 20 .

FRANCHISOR:

THE WAXXPOT GROUP FRANCHISE, LLC

By:_____
Title: _____

FRANCHISEE

By:_____
Title:_____

By:_____
Title: _____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT O

FINANCIAL STATEMENTS

THE WAXXPOT GROUP FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021

Winkel Green & Company LLP
certified public accountants

Joshua Frymier, CPA Robert Winkel, CPA Stephen Green, CPA

REPORT OF INDEPENDENT ACCOUNTANTS

To the Member of
The Waxxpot Group Franchise, LLC

Opinion

We have audited the accompanying financial statements of The Waxxpot Group Franchise, a Limited Liability Company, which comprise the balance sheets as of December 31, 2021, and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Waxxpot Group Franchise as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Correction of Error

As described in Note 4 to the financial statements, in prior year certain member contributions and associated expenses were not recognized. Our opinion is not modified with regard to that matter.

Emphasis of Matter

As discussed in Note 6 to the financial statements, 2021 was the first full year of operations. Our opinion is not modified with respect to this matter.

3752 North High Street ■ Columbus, Ohio 43214 ■ *phone* 614-261-1494 ■ *fax* 614-261-7666 ■ *web* WGcoCPAs.com

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 The Waxxpot Group Franchise'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.

Winkel Green & Company LLP
certified public accountants

Joshua Frymier, CPA Robert Winkel, CPA Stephen Green, CPA

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 The Waxxpot Group Franchise'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, which raise substantial doubt about The Waxxpot Group Franchise'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.

Winkel Green & Company LLP

Columbus, OH
April 2, 2022

THE WAXXPOT GROUP FRANCHISE, LLC
Balance Sheet
December 31, 2021

Assets	
Cash	$ 53,074
Account Receivable - Royalty Fees (Net of Allowance of $4,449)	5,866
Total Assets	$ 58,940
Liabilities	
Accounts Payable	$ 25,000
Deferred Franchise Fees	124,450
Due to Sole Member	2,672
Total Liabilities	$ 152,122
Member's Equity	
Total Member's Equity	$ (93,182)
Total Liabilities and Member's Equity	$ 58,940

See Notes to the Financial Statement.

THE WAXXPOT GROUP FRANCHISE, LLC
Income Statement
For the Period then Ended December 31, 2021

Revenues		
Franchise Fees	$	10,450
Royalty Fees		135,569
	$	146,019
Expenses		
Legal	$	15,518
Consulting		229,175
Sale and Compliance		43,478
Miscellaneous		6,238
Bad Debt		4,449
		298,858
Net Loss	$	(152,839)

See Notes to the Financial Statement.

THE WAXXPOT GROUP FRANCHISE, LLC
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash Flows From Operations		
Net Loss	$	(152,839)
Add Allowance for Doubtful Accounts		4,449
(Increase in Accounts Receivable)		(10,315)
Increase in Deferred Franchise Fees		124,450
Increase in Accounts Payable		25,000
Cash Used by Operations		(9,255)
Cash Flows from Investing Activities		-
Cash Flows from Financing Activities		
Members' Contribution		54,657
Increase in cash	$	45,402
Beginning Cash	$	7,672
Ending Cash	$	53,074

See Notes to the Financial Statements.

THE WAXXPOT GROUP FRANCHISE, LLC
Statement of Member's Equity
For the Year Ended December 31, 2021

Beginning Members' Equity - Beginning of Year	$	5,000
Contributions		54,657
Net Loss		(152,839)
Ending Member's Equity - End of Year	$	(93,182)

See Notes to the Financial Statements.

The Waxxpot Group Franchise, LLC

Notes to the Financial Statements
December 31, 2021

Note 1 – Nature and Purpose

The purpose of The Waxxpot Group Franchise, LLC (the Company) is to sell franchise rights to Waxxpot full body hair removal and support Waxxpot Franchisees in opening each location and ongoing operations. The Waxxpot Group Franchise LLC was organized in the State of Ohio as a limited liability company. The Waxxpot Group Franchise, LLC is a wholly owned subsidiary of Waxxpot Group Holdings, LLC.

Note 2 – Revenue Recognition

The Company recognized revenue under the guidance of ASC 606 "Contract with Customers". Each franchise agreement contains several performance obligations of the Company. The performance obligations range from pre-opening support functions as detailed in the Franchise Agreement to the ongoing use name, proprietary technique, trade markets in a defined territory ("the license"). As the performance obligation are met, they are recognized as revenue. The pre-opening obligations are met once the store opens to customers. The remaining obligations are met over the life of the Franchise Agreement. The Franchise Agreement also calls for a continuing royalty amount which is 6% of monthly gross revenues. In addition to the royalty agreement, the Company charges its franchisees, it will charge a fee for its marketing and technology support. The royalty fees as well as support fees, are recognized as earned and billed monthly.

Note 3 – Contracts

During 2021, the following is a summary of revenue recognition from franchise fees:

Total Fee Received	Performance Obligation Met	Total Fee Deferred
$134,960	($10,450)	$124,450

During 2021, the Company entered into several contracts with franchisees, with only one location opened. The performance obligations consisted of pre-opening obligations met ($8,500) with the remaining revenue ($1,950) relating to the performance obligation for on-going use of name, logo, etc. This performance obligation is met over time (10-year life of agreement).

Note 4 – Restatement

During the current year, it was noted that certain contributions by the sole member were not included in the prior years financial statements. The prior year's financial statements were impacted in the following manner: 1) contributions of expenses paid on behalf of the entity by sole member understated by $70,606; 2) expenses in the prior year was understated by that amount; 3) the net loss would have been greater by that amount. During the current year, beginning member equity was adjusted with the net $0 impact.

Note 5 – Related Party Transactions

In addition to royalty fees assessed to franchisees, the Company also assesses a royalty fee to two locations where the sole member has an ownership interest. The fees assessed these locations ($135,569) would be considered related party transactions due to affiliated ownership.

Note 6 – Contingencies

2021 was the first full year of operations. Management has begun to sell its franchises. It is optimistic about its ability to establish a steady stream of review to support its operations. Given the start up nature of the organization, it is possible that management may not achieve its sales objective and the organization's ability to continue as a going concern could be negatively impacted.

Note 7 – Subsequent Events

Management has evaluated subsequent events through the date on which financial statements were available to be issued.

THE WAXXPOT GROUP FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020

Winkel Green & Company LLP
certified public accountants

Joshua Frymier, CPA Robert Winkel, CPA Stephen Green, CPA

REPORT OF INDEPENDENT ACCOUNTANTS

To the Member
of The Waxxpot Group Franchise, LLC

We have audited the accompanying financial statements of The Waxxpot Group Franchise, LLC (an Ohio Limited Liability Company), which comprise the balance sheet as of December 31, 2020, and the related statements of income, member's equity, and cash flows for the period from inception March 2 to December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Waxxpot Group Franchise, LLC as of December 31, 2020 , and the results of its operations and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Smith & Company CPA

March 23, 2021

THE WAXXPOT GROUP FRANCHISE, LLC
Balance Sheet
December 31, 2020

Assets	
Cash	$ 7,672
Total Assets	7,672
Liabilities	
Due to Sole Member	2,672
Total Liabilities	$ 2,672
Member's Equity	
Beginning	$ -
Contributions	200,854
Distributions	(95,000)
Net Loss	(100,854)
Total Member's Equity	$ 5,000
Total Liabilities and Member's Equity	7,672

See Notes to the Financial Statement.

THE WAXXPOT GROUP FRANCHISE, LLC
Income Statement
For the Period March 2, 2020 through December 31, 2020

Revenues	$ -
Expenses	
Legal	31,002
Consulting	30,313
Franchise Administration	9,150
Sale and Compliance	30,000
Misc.	389
	100,854
Net Loss	$ (100,854)

See Notes to the Financial Statement.

THE WAXXPOT GROUP FRANCHISE, LLC
Statement of Cash Flows
For the Period March 2, 2020 through December 31, 2020

Cash Flows From Operations		
Net Loss	$	(100,854)
Increase in Due to Sole Member		2,672
Cash Used by Operations		(98,182)
Cash Flows from Investing Activities		-
Cash Flows from Financing Activities		
Distributions to Sole Member		(95,000)
Contributions by Sole Member		200,854
Increase in cash	$	7,672
Beginning Cash	$	-
Ending Cash	$	7,672

See Notes to the Financial Statements.

THE WAXXPOT GROUP FRANCHISE, LLC
Statement of Member's Equity
For the Period March 2, 2020 through December 31, 2020

Beginning	$ -
Contributions	200,854
Distributions	(95,000)
Net Loss	(100,854)
Total Member's Equity	$ 5,000

See Notes to the Financial Statements.

The Waxxpot Group Franchise, LLC

Notes to the Financial Statements
December 31, 2020

Note 1 –

The purpose of The Waxxpot Group Franchise, LLC is to sell franchise rights to Waxxpot full body hair removal. The Waxxpot Group Franchise LLC was organized on March 2, 2020 in the State of Ohio as a limited liability company. The Waxxpot Group Franchise, LLC is a wholly owned subsidiary of Waxxpot Group Holdings, LLC.

Note 2 –

During 2020 the Company's focus was in the start-up phase. No franchises were sold during the year, but costs were incurred for legal, marketing and administration. Being a wholly owned subsidiary, the parent Waxxpot Group Holdings, LLC paid all costs incurred by The Waxxpot Group Franchise, LLC and considered them contribution of capital.

Exhibit P
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	August 15, 2022
Maryland	
Michigan	June 10, 2022
Minnesota	July 5, 2022
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 Q

RECEIPTS

RECEIPTS
(Your Copy)

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

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Maryland, New York and Rhode Island require 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.

Michigan and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, we must provide this disclosure document to you at your first personal meeting to discuss the franchise.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

- Robert Wharton, The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704,614-622-3018.
- Daniel Sadd, The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704,614-622-3018.
- Deena Robinson, The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704,614-622-3018.
- Mark Bernstein, The Waxxpot Group Franchise, LLC, 4211 S. Lamar Blvd., Austin, TX 78704,614-622-3018.
- Lauren Brunner, The Retail Strategy, 9640 Chamois Way, Austin, TX 78736, (512) 494-4500.

The issuance date of this disclosure document is April 12, 2022

I have received a disclosure document with an effective date of _April 12, 2022_ that included the following Exhibits:

EXHIBIT A: List of State Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement
EXHIBIT C: Area Development Agreement
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Agreement of Owners of Franchise
EXHIBIT F: Confidentiality and Nondisclosure Agreement and Covenant Not to Compete
EXHIBIT G: Real Estate Option to Purchase
EXHIBIT H: Real Estate Lease Rider
EXHIBIT I: Debit Authorization
EXHIBIT J: General Release
EXHIBIT K: List of Outlets
EXHIBIT L: Assignment of Telephone Numbers, Internet Listings and General Listings
EXHIBIT M: Franchisee Questionnaire
EXHIBIT N: State Law Addenda
EXHIBIT O: Financial Statements
EXHIBIT P: State Effective Dates
EXHIBIT Q: Receipts

_____ _____ _____
Date Signature Printed Name

_____ _____ _____
Date Signature Printed Name

KEEP THIS COPY FOR YOUR RECORDS.

RECEIPTS

(Our Copy)

Please sign and return this copy to us

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Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign and return this copy to us