

FRANCHISE DISCLOSURE DOCUMENT



VIYADA FRANCHISE GROUP INC.
a Massachusetts corporation
336 Newbury St. 2nd Fl.
Boston, MA 02115
617-383-4318
www.viyadafranchise.com
franchise@viyadathaispa.com

The franchisee will own and operate a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services. Franchisor, VIYADA FRANCHISE GROUP INC. provides services to franchisees including training, operations, and marketing support.

The total investment necessary to begin operation of a VIYADA THAI SPA franchise is between \$311,400 and \$468,350. This includes between \$35,940 and \$37,140 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact the Franchise Administration Department of VIYADA FRANCHISE GROUP INC., 336 Newbury St. 2nd Fl., Boston, Massachusetts 02115, 617-383-4318.

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

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

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

Issuance Date: January 14, 2025

How to Use This Franchise Disclosure Document

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

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

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 and/or litigation only in Massachusetts. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Massachusetts than in your own state.
2. **Short Operation History.** The Franchisor is at an early stage of development and has a limited operating history. The franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.

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.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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 the notice should be delivered to the Department of the Attorney General, Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, 2501 Woodlake Circle, Okemos, MI 48864, Telephone: (517) 241-6470.

TABLE OF CONTENTS

	PAGE
ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2. BUSINESS EXPERIENCE	3
ITEM 3. LITIGATION	3
ITEM 4. BANKRUPTCY	3
ITEM 5. INITIAL FEES	3
ITEM 6. OTHER FEES	4
ITEM 7. ESTIMATED INITIAL INVESTMENT	9
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	13
ITEM 9. FRANCHISEE'S OBLIGATIONS	16
ITEM 10. FINANCING	17
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	17
ITEM 12. TERRITORY	26
ITEM 13. TRADEMARKS	28
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	29
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	31
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	32
ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	33
ITEM 18. PUBLIC FIGURES	37
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS	37
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION	39
ITEM 21. FINANCIAL STATEMENTS	41
ITEM 22. CONTRACTS	41
ITEM 23. RECEIPTS	41

EXHIBITS

Exhibit A	VIYADA THAI SPA FRANCHISE AGREEMENT with Attachment 1 (Franchise Rider), Attachment 2 (Lease Rider), Attachment 3 (Internet, Social Media, and Telephone Assignment), Attachment 4 (Guaranty), Attachment 5 (Nondisclosure and Noncompetition Agreement) and Attachment 6 (Nondisclosure and Non-solicitation Amendment)
Exhibit B-1	LISTING OF CURRENT FRANCHISEES
Exhibit B-2	LISTING OF CERTAIN PAST FRANCHISEES
Exhibit C	FINANCIAL STATEMENTS
Exhibit D	STATE SPECIFIC INFORMATION
Exhibit E	FEDERAL AND STATE REGULATORS AND AGENTS FOR SERVICE OF PROCESS
Exhibit F	SAMPLE GENERAL RELEASE
Exhibit G	ACH/EFT TRANSFER AGREEMENT
Exhibit H	FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT

Exhibit I	AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER
Exhibit J	SBA ADDENDUM
Exhibit K	FORM OF FRANCHISE COMPLIANCE QUESTIONNAIRE
Exhibit L	BRAND STANDARDS MANUAL TABLE OF CONTENTS
Exhibit M	RECEIPT

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

To simplify the language in this Disclosure Document, “we,” “our,” “us,” “VIYADA THAI SPA” and “VIYADA” refer to VIYADA FRANCHISE GROUP INC. “You” means the person or company that buys the franchise, including, if any, such company’s owners, partners, members, shareholders, and guarantors. Use of the term “affiliate” means an entity’s subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

Franchisor. We are a Massachusetts corporation, organized under the name “Viyada Franchise Group Inc.” on August 2, 2024. Our principal business address is 336 Newbury St. 2nd Fl., Boston, Massachusetts 02115. Our registered agent is Krit Panichpisal at 1530 Beacon St., Apt. 805, Brookline, MA 02446. Our sole business since inception has been selling VIYADA THAI SPA franchises. We began selling franchises in January 2025. We operate no business of the type being franchised and have never offered for sale any franchises of any other kind. Exhibit E identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there.

Parents, Predecessors, and Affiliates. We have no parents or predecessors.

Our affiliate, KP Thai Group, Inc., was organized as a Massachusetts corporation in 2011. Since February 2013 it has owned and operated at least one VIYADA THAI SPA in Boston, Massachusetts. Since December 2018, it has also offered Thai massage instruction. Your Franchised Business will not offering Thai massage instruction. KP Thai Group, Inc. also owns the trademarks and other intellectual property we will sublicense to you. Otherwise, it does not operate any other kind of businesses or offers franchises of any kind. Our affiliate shares our principal place of business.

The Franchise Offered. As a VIYADA THAI SPA franchisee, you will own and operate a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services (a “Franchised Business”). The VIYADA THAI SPA Franchised Businesses are characterized by a unique system that includes traditional, authentic Thai massage techniques; Thai wellness products; distinctive design, décor, color scheme, and furnishings; standards, specifications, and procedures for operations; training and assistance; and advertising and promotion programs, all of which we may improve, amend, and further develop from time to time (the methods of operation are referred to herein as the “System”). The typical Franchised Business is operated in leased, inline space that is about 2,000 to 2,200 square feet.

The Franchised Business must have a designated “Operations Manager” who completes our required training and who oversees daily operations of the business on-site. The Operations Manager may but is not required to be an owner. You must also designate an “Operating Principal” who is an owner of at least 10% of the franchisee and who must also complete our required training. The Operating Principal will be our contact for all operational and franchise matters. Beginning 6 months after you open the Franchised Business, we require you to have a lead

therapist all times. The lead therapist must complete the required training and will have responsibilities for training other massage therapists at the Franchised Business.

Market and Competition. You will compete with other VIYADA THAI SPA franchisees, other spas, massage businesses, wellness businesses, and fitness studios that offer services like yoga or physical therapy. These include national and regional chains, as well as local operations. Your ability to succeed with this franchise will in part be determined by your ability to compete with these other establishments. The general market for massage services is developed and competitive. Offering authentic Thai massage services is less common in the industry. Membership, gift cards, a loyalty program, and pre-paid package services are all important elements of the business. The business does not tend to be seasonal but there is typically greater demand on weekends. Services are marketed equally to men and women but women have historically made up approximately 60% of the customer base of our affiliate's spa.

Laws or Regulations. Other than the state laws typically requiring licensure of massage therapists, there are no laws or regulations known to us specific to the operation of a Franchised Business. You will need to determine what licensing requirements apply to your massage therapists and ensure they comply. Some states or municipalities may require a business hiring massage therapists to likewise be licensed. Massage therapy licensure typically requires a certain number of massage training hours to be completed before certification.

Federal, territory, and state jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the general operation of your Franchised Business, including those that (a) establish general standards, specifications, and requirements for the construction, design, and maintenance of the Franchised Business premises; (b) regulate matters affecting the health, safety, security, and welfare of your customers and the availability of and requirements for public accommodation; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern labor and employment practices for your employees; (f) license and tax businesses; and (g) regulate membership and gift card programs.

Since you accept credit cards as a method of payment, you must comply with payment card infrastructure ("PCI") industry and government requirements. PCI security standards are technical and operational requirements designed to protect cardholder data. The standards apply to all organizations that store, process, or transmit cardholder data and cover technical and operational payment system components involving cardholder data.

We have not researched any of these laws to determine their applicability to your Franchised Business. You should investigate whether there are regulations and requirements that may apply to the geographic area in which you are interested in locating your franchise and should consider both the effect and cost of compliance. You should consult with your own attorney in doing this research. It is your responsibility to investigate and comply with any laws, rules, and regulations in your area that apply to the establishment and operation of the business, regardless of any advice we may offer.

ITEM 2. BUSINESS EXPERIENCE

Name	Position	Principal Occupation During the Past 5 Years
Krit Panichpisal	Founder and Chief Executive Officer	Since our founding, Mr. Panichpisal has served as our founder and Chief Executive Officer. Since February 2013, he has also owned and operated our affiliate-owned VIYADA THAI SPA businesses in Boston, Massachusetts.
Ladasiri Panichpisal	Vice President	Since our founding, Ms. Panichpisal has served as our Vice President. Since August 2015 she has served as Vice President for our affiliate-owned VIYADA THAI SPA businesses in Boston, Massachusetts.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

The initial franchise fee to open a Franchised Business is \$35,000. The initial franchise fee is payable in lump sum and is due at the time you sign the franchise agreement and is not refundable under any circumstances.

Franchisees who are granted a second or subsequent Franchised Business will pay an initial franchise fee of 75% of the then-current initial franchise fee for that second or subsequent business. Additionally, employees of either affiliate-owned or franchisee-owned VIYADA THAI SPAS will pay an initial franchise fee of 75% of the then-current initial franchise fee for their first Franchised Business if they have been employed by the affiliate or franchisee for more than one year and receive the endorsement of the business owner upon their application for a franchise.

We or our affiliate will sell you an opening package of VIYADA-branded wellness products, including compress balls, essential oils, and herbal tea. We estimate the cost of the package to be between approximately \$940 and \$2,140. The variation depends on how much of each product you choose to purchase. The purchase price of the package is due at least 60 days prior to opening.

During our last fiscal year, all fees described in this Item were uniformly applied.

ITEM 6. OTHER FEES**OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty	6% of Gross Sales	Weekly by electronic funds transfer (“ETF”); Wednesdays for the prior week	“Gross Sales” means the total of gross revenue that you derive from the operation of the Franchised Business, including, but not limited to, revenue from services rendered by the Franchised Business and from the sale of goods, whether from sales for cash or credit and regardless of the collection thereof. Gross Sales also includes any proceeds you receive from business interruption insurance. Gross Sales does not include sales taxes or gift card sales. For items sold pursuant to authorized coupons or other discounts, “Gross Sales” also excludes the amount discounted from the purchase price of such item. Royalties on gift cards are assessed when the gift card is redeemed. Royalties on pre-paid packages and memberships will be paid in accordance with our current policies. Accounting for redemptions of memberships and pre-paid packages at spas other than the guest’s home spa will be done in accordance with our current policies.
Brand Fund Fee	1% of Gross Sales	Weekly by ETF; Wednesdays for the prior week	The Brand Fund Fee can be raised by us to be as high as 2% of Gross Sales.
Technology Fee	Currently, \$35 per week	Monthly	This fee may be used to support the development, implementation, and maintenance of technologies to be used by franchisees. We reserve the right to modify, amend, delete, or add to the technologies, goods, and services, provided for the Technology Fee and also change the fee by up to 20% per year. Currently the Technology Fee covers domain email addresses and website maintenance and security.

Name of Fee	Amount	Due Date	Remarks
Advertising Cooperative Fee	There are currently no plans for an advertising cooperative, but one may be formed in the future. Any percentage contribution would be set by the cooperative on a vote of a majority of its members	When designated by cooperative	If franchisor- and affiliate-owned businesses have controlling voting power in a cooperative, there is no minimum fee they can impose but the maximum is 2% of Gross Sales. Franchisor- and affiliate-owned businesses and each franchisee owned business will have one vote each in a cooperative. In our discretion, we can require you to contribute to the cooperative up to 50% of the Local Advertising minimum, which will count toward your Local Advertising spend.
Local Advertising	The greater of \$1,000 per month or 1% of Gross Sales	As incurred, monthly	In the event that you fail to spend the minimum on Local Advertising each month, you must pay to the Brand Fund the minimum, less the amount you actually paid for local advertising that month. We may raise the \$1,000 minimum by up to 10% per year.
Transfer Fee	Internal Transfer: \$1,500 Out-of-Network Transferee: 75% of the then-current initial franchise fee In-Network Transferee: 50% of the then-current initial franchise fee	At the time of transfer For Out-of-Network and In-Network transfers: initial payment of \$5,000 is due at the time you notify us of your intent to transfer; remainder is due at the time of transfer	“Internal Transfer” means the addition of a new interest holder that does not result in a change of control of the entity. “Out-of-Network Transferee” means a person or party who is not a current VIYADA THAI SPA franchisee in good standing. “In-Network Transferee” means a person or party who is a current VIYADA THAI SPA franchisee in good standing.
Renewal Fee	20% of the then-current initial franchise fee	Upon signing a of new franchise agreement	Payable in immediately available funds. You have the right to renew for 2 additional terms of 5 years each.
Early Termination Damages	Our damages, costs, and expenses	As incurred	If the Franchise Agreement is terminated early, we have the right to seek damages from you.
Audit Fee	Our costs and expenses	At once if audit shows 2% or greater underpayment	You also pay the underpayment, if any. We pay for the audit if underpayment is 2% or less.
Interest Charges	10% or highest lawful rate if lower	Immediately if payments not made when due	This charge is in addition to other remedies.

Name of Fee	Amount	Due Date	Remarks
Conferences and Conventions	Currently, \$1,000	Upon invoicing	We reserve the right to charge you and your representatives an attendance fee at any conferences or conventions. We can mandate attendance.
Additional Initial Training Program Attendance (For extra people at outset of your operation or to replace an Operations Manager or Operating Principal)	Currently, \$1,500	30-day notice of additional training with payment due before training class begins	<p>Additional fee charged for additional personal (above 2) to attend the initial training.</p> <p>Should your Operations Manager or Operating Principal leave or become disqualified, the replacement must attend the initial training at a location specified us.</p> <p>We can change this fee from time to time. You will pay for all travel, food and lodging expenses.</p>
Additional Training Fee	Currently, \$500 per person per day, plus our costs and expenses	As incurred prior to beginning of additional training	If you request or if we require additional training because you operating below standards, we have the right to charge you an additional training fee. You are also responsible for the travel, living expenses, and wages for the trainees. We can change this fee from time to time.
Ongoing Training Fee	Currently, up to \$300 per day per attendee	As incurred prior to beginning of additional training	For additional scheduled training at our headquarters or another designated location. You will pay for all travel, food and lodging expenses. We can change this fee from time to time.
Fines	Up to \$1,000 per occurrence plus inspection and reinspection costs	Upon notice of infraction	Fines for failing to operate in accordance with operating standards, including selling unauthorized goods or services.
New Supplier/Good Evaluation Fee	Greater of \$500 or actual costs	On Demand	You will pay all fees and costs incurred by us to obtain the necessary information and evaluate suppliers prior to giving approval for new suppliers and goods.
Legal and collections fees and expenses	Costs and expenses, including but not limited to attorneys' fees and inspection costs	As incurred	You will pay our costs to enforce the Franchise Agreement, including to collect amounts owed to us. Loser pays winner's fees and costs to discourage meritless litigation. We could have to pay your fees.
Insurance Premium Reimbursement	Our costs and expenses plus a 10% fee	Upon demand	You must reimburse us if we obtain required insurance on your behalf because you fail to do so.

Name of Fee	Amount	Due Date	Remarks
Enforcement Costs	Will vary	As incurred	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.
Continued Operation After Expiration	Greater of \$1,000 or 150% of the Royalty due for the same week for every week of month-to-month operation after the expiration date, up to Franchisor's then-current initial franchise fee	Monthly	Due only if we allow you to continue to operate the Franchised Business following the expiration term without renewal. The Franchise Agreement will continue on a month to month basis. This fee is in addition to the Royalty, Brand Fund contributions, and any other payments due to us under the Franchise Agreement.
Insufficient Funds	\$250 plus any fee charged to us for uncollected funds	Upon notice	Failure to have sufficient funds available for payments to us.
Shared Third Party Supplier Charges	Your share of any charges billed to us on behalf of your business	As incurred	Sometimes it may be in the best interest of the VIYADA THAI SPA brand for suppliers to bill us a system-wide charge for a good or service. We will then divide the invoice among our franchisees and charge you for your share.
Goods and Services	Varies	As incurred	We and our affiliates reserve the right to become the supplier of any goods and services for your Franchised Business. These goods and services may include technology and fees for an up-front license and then monthly subscription fees thereafter.
Data Inspections and Reimbursement	Varies	Upon demand	If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to charge you our costs and expenses to inspect your business. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.
Legal Fees	Varies	Upon demand	If we incur legal expenses while providing assistance to you in legal compliance or negotiation circumstances, we may require you to reimburse us for the legal expenses we incur.

Name of Fee	Amount	Due Date	Remarks
Relocation Fee	50% of the then-current initial franchise fee	As incurred	Payable to us to defray our costs associated with your relocation proposal. Any relocation must be approved by us. Except in cases of emergency, the new premises must be occupied and open prior to vacating the old location.
Indemnification	Any and all types of damages, liabilities, losses, costs, and expenses we or related parties incur as a result of third parties claims or from your ownership and operations of the Franchised Business	As incurred	You, your owners, and your guarantors must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Franchised Business.
Post-Termination or Post-Expiration Expenses	Costs and expenses	As incurred	You must pay all of our costs and expenses related to us undertaking any of your post-termination or post-expiration obligations (such as de-identification) for you.
Refurbishment Fee	Our costs, plus an administrative fee of 15% of the expenses we incur	As incurred	Due in connection with any refurbishing, remodeling, or updating work we do on your Premises or Franchised Business on your behalf.
System Modifications	All costs and expenses associated with System modification	As required	If we make changes to the System, you must adapt your business to conform to the changes. By way of example only, such changes may include new equipment, software, or construction materials. These may be paid to us, our affiliates, or a third-party supplier we designate.
Quality Assurance Program	Varies	Quarterly	If we establish a systemwide quality assurance program, you will be required to pay your Franchised Business's share of the costs. We may require you to pay the supplier directly or to pay us and we will remit payment to the supplier. If we engage a supplier to perform an audit on your Franchised Business, you will reimburse use for our costs. The current cost will be located in the Brand Standards Manual.

Name of Fee	Amount	Due Date	Remarks
Customer Complaint Fee	Varies, our costs and expenses	Upon demand	If a customer complains to us and you fail to satisfactorily remedy the complaint, you will pay us our costs to respond to the complaint.
Gift Card Liability	Will vary	As incurred	If you purchase a VIYADA THAI SPA business from an existing owner, you must assume the prior owner's gift card liability and honor all outstanding but unredeemed gift cards that were issued by that location and/or the prior owner. Upon early termination you must remit these amounts to us.
Default Damages	Will vary	As incurred	You must reimburse us upon request for any damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by us as a result of any of your defaults under the Franchise Agreement.
Opening Timeline Extension fee	\$2,000	Upon request for the extension	If you have demonstrated good faith efforts to meet the timelines for opening of the business, you may request a 60-day extension and pay a fee of \$2,000.
Temporary Management Fee	Greater of 10% of Gross Revenues or \$500 per day, plus our expenses	Weekly with Royalty payment	Only payable in the event we must operate your franchise due to death, disability, or default. The Management Fee would be paid in addition to Royalty, Technology Fee, Brand Fund contribution, and any other fees due to us.

Note 1. All fees and expenses described in this Item 6 are non-refundable and, unless otherwise indicated, are imposed uniformly by, collected by, and are payable to, us. All fees were uniformly applied to all franchisees during our last fiscal year. We may adjust flat fees for inflation.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
PRE-OPENING COSTS ¹					
Initial Franchise Fee	\$35,000	\$35,000	One lump sum payable	On signing Franchise Agreement	Us

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
Design and Architect Fees ²	\$10,000	\$20,000	As incurred	Varies depending on your contract with supplier	Approved suppliers
Facility Occupancy – 3 Months ³	\$26,000	\$30,000	Landlord terms	Monthly, depending on lease agreement	Landlord
Leasehold Improvements ⁴	\$100,000	\$200,000	Lump sum or (possibly) amortized by landlord	Varies depending on your contract with supplier	Supplier or Landlord
Furnishings and Fixtures	\$5,000	\$10,000	As incurred	Varies depending on your contract with supplier	Approved suppliers
Office Equipment and Computer Systems ⁵	\$4,650	\$7,000	As incurred	Varies depending on your contract with supplier	Approved suppliers
Signage	\$3,000	\$5,000	As incurred	Varies depending on your contract with supplier	Approved suppliers
Spa Equipment ⁶	\$20,000	\$25,000	As incurred	Varies depending on contract with supplier	Approved suppliers
Deposits ⁷	\$15,000	\$22,350	Lump sum	Usually before opening	Landlord, utilities
Insurance ⁸	\$2,000	\$3,000	As incurred	Varies depending on contract with supplier.	Approved suppliers
Business Licenses and Memberships	\$250	\$500	As incurred	Varies depending on jurisdiction	Local, state, federal government and businesses
Training living expenses ⁹	\$1,500	\$3,000	As incurred	Before opening	Airline, restaurant, hotel, etc.
Grand Opening Marketing ¹⁰	\$5,000	\$10,000	As incurred	As incurred before opening and up to 3 months after	Approved suppliers

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	LOW	HIGH			
Professional Fees ¹¹	\$5,000	\$10,000	As incurred	As incurred	Attorneys and accountants
Telephone, Internet, Security, and Music Systems – 3 Months	\$1,000	\$1,500	As incurred	Before opening	Approved suppliers
Initial Inventory, Materials, and Supplies – 3 Months ¹²	\$1,000	\$3,000	As incurred	Before opening	Approved suppliers; Us
Initial Staff Recruiting Fees and Background Checks and Drug Tests ¹³	\$2,000	\$3,000	As incurred	Before and after opening	Third party recruiters; staff
Additional Funds – 3 months ¹⁴	\$75,000	\$80,000	As incurred	As incurred	Suppliers, utilities, us
TOTAL	\$311,400	\$468,350			

Note 1. All of the fees described in this Item that are payable to us are non-refundable. Individual suppliers, utilities and landlords will have their own refund policies. Neither we nor our affiliates will finance any part of the initial investment.

Note 2. You will need to engage the services of designers and architects before you undertake any leasehold improvements.

Note 3. You must lease or provide a suitable facility for the operations of the Franchised Business. This estimate assumes you will be leasing an inline space of approximately 2,000 to 2,200 square feet square feet. Your cost to lease space is difficult to estimate because there are several factors that will impact what you pay like location, square footage, cost-per-square foot, renovation costs and any required maintenance fees. Most landlords will not refund rental payments or other payments made. This estimate assumes you will not start making rent or other occupancy payments until your Franchised Business opens. Your costs may be greater than estimated if your rent and other occupancy payments begin before you open. This estimate reflects three months of rent and occupancy payments. These estimates reflect a rent of between \$40 to \$60 per square foot. These estimates do not reflect any costs to purchase a building or lease a standalone building and we do not recommend that you do so. If you choose to do so, you will likely incur greater costs. You may choose a larger facility, but it will increase your rent and occupancy costs.

Note 4. This estimate assumes you will be improving an inline space of approximately 2,000 to 2,200 square feet, which will include a reception area, an office, a shower area, a break room, a locker area, and 8 massage rooms. These estimates include the installation of the Thai-inspired wall paneling for the lobby. Your costs will vary depending on many factors, including the size,

condition and location of the facility, local wage rates and the cost of materials. The amounts you pay for leasehold improvements are typically non-refundable. You should ask the supplier you hire to renovate or remodel the facility about its refund policy before you patronize the supplier. These estimates do not reflect any costs to newly construct a building and we do not recommend that you do so. If you choose to do so, you will likely incur greater costs. You may choose a larger facility, but it will increase your improvement costs.

Note 5. You must obtain our required hardware and software. This estimate includes two laptop or desktop computers, a printer and a scanner, two to three tablets, a music and audio system, security system with cameras and monitor, accounting software, scheduling, payment, and business administration software, software front desk assistant, and business processes software.

Note 6. Your costs for equipment may vary and even exceed our estimates if you choose to purchase equipment that exceeds the cost of our recommended purchases, or if suppliers increase their prices. You will need sufficient equipment for at least 8 massage rooms (with one room having two massage tables for couple's massage).

Note 7. This estimate reflects deposits for one month of utilities and two months of rent. We estimate utilities to be approximately \$300 to \$350 per month.

Note 8. This estimate reflects the purchase of three months of insurance premiums for the minimum insurance coverage we require.

Note 9. These estimates reflect the training living expenses (travel, lodging, and food) for two people to attend the three-day initial training program in Boston, Massachusetts. These estimates do not reflect any salary expenses.

Note 10. You must spend at least \$5,000 on grand opening advertising and marketing during the 90 day period around your opening. We may require you to spend up to \$10,000 based upon the conditions of your market. The amounts you spend for grand opening advertising are typically nonrefundable. You should inquire about the return and refund policy of the suppliers at, or before, the time of purchasing advertising.

Note 11. We recommend you use the services of attorneys and accountants as you establish and operate your Franchised Business. Costs for these professional services will vary by firm and location.

Note 12. You must purchase an initial supply of inventory, materials, and supplies to provide the services, sell merchandise, and run the office. We or our affiliate will sell you an opening package of VIYADA-branded wellness products, including compress balls, essential oils, and herbal tea. We estimate the cost of the package to be between approximately \$940 and \$2,140. The variation depends on how much of each product you choose to purchase. All inventory items will need to be replaced as they are used.

Note 13. You may incur recruiting expense to recruit your initial staff. You will need to perform background and drug tests for your new hires. This estimate assumes these fees for 10 employees.

Note 14. You should have a three-month cash reserve to cover the operations of the Franchised Business. Your cash reserves should be based on the total monthly cost of operating the Franchised Business. You should consider Royalties, Brand Fund contributions, local advertising requirements, rent, salaries, utilities, maintenance, supplies, payroll, taxes, loan payments and other related operating costs to arrive at your three-month reserves. Your costs will be affected by factors in the local market; local economic conditions; local competition; local cost factors; and other variables related to the location of your Franchised Business. For example, the wages and rental rates in the area where your Franchised Business is located will affect the size of your cash reserve. You may need to have more or less money in your cash reserve. The payments made to third parties may be refundable depending on the terms offered by each third party. These estimates do not include any living expenses, an owner's salary, finance charges, interest or debt service obligations. These figures are estimates and we cannot guarantee you will not have additional expenses either in starting the business or during the first 3 months. The amount you will need in reserve will depend on factors such as how closely you follow our methods and procedures; local economic conditions; competition; the size of your territory; and the sales level reached during the initial period. In putting together these estimates, we relied on the experience of our affiliate's business in Boston, Massachusetts. Your experience could differ from our affiliate's. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise and to get a more accurate estimate of the amount you should have in reserve.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Suppliers, Goods, and Services. We have the right to require you to purchase all goods, services, supplies, computer hardware and software, and equipment you use or sell in the Franchised Business from the suppliers we approve or designate, which may include us or our affiliates, in strict conformance with our Brand Standards Manual, proprietary guidelines, standards, and specifications. We reserve the right to modify the suppliers, standards, and specifications for all the goods, services, supplies, computer hardware and software, and equipment you use in or sell from your Franchised Business. Currently we do not provide any brand specific specifications to suppliers. Standards, specifications, and modifications, and any changes to them, will be provided to you in the Brand Standards Manual or in other written communication from us. If we alter the approved suppliers or good and services, and we will generally provide you with at least 30 days' written notice. We reserve the right to revoke approval for any good, service, or supplier for any reason and you must cease to use that good, service, or supplier. Where we have designated an approved supplier, you must use that supplier. Not purchasing your business's goods, services, supplies, equipment, computer hardware and software, or any other items where we have designated an approved supplier would put you in violation of the franchise agreement.

You will pay us a weekly Technology Fee that is currently applied towards email addresses and website maintenance and security. Neither we nor our affiliates are currently a supplier of the goods and services provided under the Technology Fee, though these items may be made available to you through our accounts with the supplier.

You are required to purchase our approved or specified two laptop or desktop computers, a printer and a scanner, two to three tablets, a music and audio system, security system with cameras and monitor, accounting software, scheduling, payment, and business administration software, software front desk assistant, and business processes software. You must maintain high speed Internet, music systems, security systems, and phone services at your Franchised Business that meet our specifications and supplier requirements. You are required to use the credit card processing service we approve.

You must use our designated suppliers for your inventory items, massage tables, face cradle and face pillows, massage oil and massage lotion.

If you do not own your business premises, you must obtain our acceptance of your site and lease. You must use an approved or designated architect but will select your own contractor.

We or our affiliate will sell you an opening package of VIYADA-branded wellness products, including compress balls, essential oils, and herbal tea. We estimate the cost of the package to be between approximately \$940 and \$2,140. The variation depends on how much of each product you choose to purchase.

Otherwise, currently neither we nor our affiliates are the approved or exclusive supplier of any goods or services for your Franchised Business. We reserve all rights to become, or designate our affiliates to become, suppliers of goods and services to you in the future.

During our last fiscal year ended December 31, 2024, neither we nor our affiliates received any revenue, rebates, or other material consideration from required purchases or leases by franchisees. In the future, we and/or our affiliates may derive revenue, rebates, or other material consideration from these required purchases or leases. We and our affiliates are under no obligation to share any revenues, rebates, or consideration received with you. At this time, we and our affiliates do not receive any payments based upon your purchases.

Our officer, Krit Panichpisal, owns an interest in us and our affiliates, who may be approved to be suppliers of goods and services to you. Otherwise, we do not, nor do any of our parents, affiliates, officers, or owners own any interest in any approved suppliers of goods or services to our franchisees. We reserve all rights to become, or designate our affiliates, parents, and subsidiaries, to become, suppliers of goods and services to you in the future.

The cost of the items that you must purchase or lease from us, our affiliates, or from suppliers designated by us represents approximately 55% to 65% of your total purchases in connection with the establishment and operations of your Franchised Business.

Insurance. You are obligated to obtain and maintain, at your own expense, such insurance that we require from time to time from an approved insurance company.

The insurance we currently require you to obtain is as follows:

- General liability coverage with limits of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in aggregate.

- Professional liability insurance with limits of at least One Million Dollars (\$1,000,000).
- Property damage coverage with an amount to equal 100% of the replacement value of your site, tenant improvements, equipment, and other contents of the business.
- Cyber insurance coverage with limits of at least One Hundred Thousand Dollars (\$100,000)
- Business interruption insurance coverage for up to twelve months on an actual loss sustained basis.
- Workers compensation insurance with limits to comply with state law and in no event less than One Million Dollars (\$1,000,000).
- Automobile insurance with limits of at least One Million Dollars (\$1,000,000) to cover owned, hired, or non-owned vehicles.
- Umbrella insurance with an additional limit of at least One Million Dollars (\$1,000,000).
- Employment practice liability insurance with limits of at least One Million Dollars (\$1,000,000).

We may require you to use a designated insurance provider. The franchise agreement also outlines the types, amounts, terms and conditions of insurance coverage required for your Franchised Business, including, but not limited to, our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend a claim; and similar matters relating to insured and uninsured claims. If a lease or any other contract you enter into requires more insurance than listed above, you must purchase and maintain such additional insurance, but you must never have less insurance than that listed above. We have the right to change the required types and minimum coverage levels of your insurance and you must comply with the changes. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments and your history. All insurance policies must name us as an additional insured party, must expressly protect both you and us on a primary and non-contributory basis, must require the insurer to defend both you and us in any action while reserving our right to involve counsel of our own choosing in protection of our own and system wide interests, and all shall contain a waiver of all subrogation rights in favor of us and our successors and assigns. At least 30 days prior to the time any insurance is first required to be carried by you, you will deliver to us Certificates of Insurance evidencing the proper coverage. Insurance may not be canceled or non-renewed without at least 30 days' notice to us (which notice period is also subject to state law).

Method of Approving Suppliers and Suppliers. If you want to use goods, services, supplies, fixtures, equipment, inventory, technology, or computer systems or suppliers that we have not approved, you must first submit to us certain information, including specifications, price, quality, production capacity, quality assurance systems, reputation, components, performance history, samples, supplier information, and any other relevant information. We will evaluate the proposed good, service, or supplier based upon certain criteria and determine if you are approved to use the alternate good, service, or supplier. Our criteria for approving goods, services, or suppliers is not provided to franchisees. If the criteria is met, you may use that alternate good, service, or supplier. We will advise you in writing of our decision within 90 days of your written request for approval. We impose these restrictions to safeguard the integrity of both the System and our trademarks. We reserve the right to revoke approval for any good, service, or supplier for any reason, and you must

cease to use the good, service, or supplier upon 30 days' notice from us. If you request that we evaluate a good, service, or supplier, you will pay us the greater of \$500 or all fees and costs incurred by us to obtain the necessary information and to conduct the evaluation. You must cease to use any good, service, or supplier upon 30 days' written notice from us if that good, service, or supplier no longer meets our criteria.

Miscellaneous. We may negotiate purchase agreements with suppliers, including price terms, for the benefit of franchisees; however, we are not required to do so. We do not provide franchisees with any material benefits based upon a franchisee's use of approved suppliers. Currently you are not required to participate in a purchasing or distribution cooperative, but we have the right to require you to participate in one on the future. We also have the right to require you to participate in a local advertising purchasing cooperative in the future.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Franchise Agreement §§ 2(b)(ix), 6 and 10	Items 7, 8, and 11
b. Pre-opening purchases/leases	Franchise Agreement §§ 4, 10, 11, and 12	Item 8
c. Site development and other pre-opening requirements	Franchise Agreement §§ 2(b)(ix), 3(a)(i) 6, 8(a)(i), 8(e), 10, 11(a)(ii), 11(b), 11(d), 12(a), 12(b)	Items 7, 11
d. Initial and ongoing training	Franchise Agreement § 4(a), 11(a)(ii) and (c)	Item 11
e. Opening	Franchise Agreement §§ 1, 3, 4, 6 and 8(a)(i),	Items 5, 7, 11
f. Fees	Franchise Agreement §§ 2(b)(v), 3, 8, 11(c), 11(v), 13(d)(iii) and Attachment 1	Items 5, 6, 7, and 17
g. Compliance with standards and policies/ operations manual	Franchise Agreement §§ 4, 11; and Operations Manual	Items 13 and 15
h. Trademarks and proprietary information	Franchise Agreement §§ 7 and 11(d); Operations Manual	Items 13 and 14
i. Restrictions on products/services offered	Franchise Agreement §§ 11(d) and (e), 12 and Attachment 1	Item 16
j. Warranty and customer service requirements	Franchise Agreement §§ 11(k) and (l), 17(b)(viii) and 17(c)(iv)	Item 15
k. Territorial development and sales quotas	Franchise Agreement: 5, 14(e), 17(f)	Item 12

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
l. Ongoing product/service purchases	Franchise Agreement § 12	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Franchise Agreement §§ 6(a)(ii), 10, 11(p)	Item 9
n. Insurance	Franchise Agreement § 16	Items 6 and 9
o. Advertising	Franchise Agreement §§ 8, and 9	Items 6 and 9
p. Indemnification	Franchise Agreement § 19(b)	Item 6
q. Owner's participation/management/staffing	Franchise Agreement § 11(a) - (c)	Item 15
r. Records/reports	Franchise Agreement § 11(o)	Items 6, 16 and 17
s. Inspections/audits	Franchise Agreement § 11(p)	Item 6 and 8
t. Transfer	Franchise Agreement §§ 13 and 14	Item 17
u. Renewal	Franchise Agreement § 2(b) - (c)	Item 17
v. Post-termination obligations	Franchise Agreement §§ 7(d), 11(j), 14, 15, 17, 18 and 19	Item 17
w. Non-competition covenants	Franchise Agreement §§ 11(j), 14, 15, and 18	Item 17
x. Dispute resolution	Franchise Agreement §§ 19 and 21	Items 6 and 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee any note, lease, or obligation.

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

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

Pre-Opening Assistance:

After you sign your Franchise Agreement, but before you open your business:

1. Initial Training. We will offer you a training program as described in more detail below. (Franchise Agreement Section 4(a)(ii))

2. Lead Therapist Training. As described in more detail below, we will provide your lead therapist with training. (Franchise Agreement Section 4(a)(iv))

3. Brand Standards Manual. We will provide you with access to the Brand Standards Manual. (Franchise Agreement Section 11(h))

3. Site Selection and Development. It is your responsibility to select and outfit your own location. We are not required to provide or assist you in locating a site, negotiating a lease, or obtaining your business premises. However, we will provide general advice about recommended locations, remodeling of the premises, and the design of the premises. You must obtain our

acceptance of the site within three months after signing the Franchise Agreement. You must obtain our acceptance of the lease if you do not own the premises. If you do not have a site selected prior to signing the Franchise Agreement, we will provide you with a search area in which you must locate your site. This search area does not grant you any territory protections or exclusivity. We do not own the sites or lease them to you. Our determination to accept or reject a site may be based on various criteria, including but not limited to business count, traffic count, accessibility, parking, visibility, and competition. Generally, we accept or reject a site within 15 days of receiving the request, though we have up to 30 days to do so. In the event we do not accept a proposed site within said 30 days, such site shall be deemed rejected by us. It is your sole responsibility to ensure that your premises conforms to local ordinances and building codes as well as obtain any required permits. Before you begin any construction or remodeling of the premises, you must obtain our acceptance of the general design and layout. You must use an approved or designated architect but will select your own contractor. We will provide you with a list of approved contractors who have worked with the VIYADA THAI SPA brand previously. It is your responsibility to construct or remodel, equip, and decorate the premises in accordance with our standards. If you fail to execute a lease or purchase contract for the site within a reasonable amount of time after our acceptance of the site, we reserve the right to refer it to another franchise applicant or develop it as a company-owned business. If you fail to select a site that we accept and begin operations within six months of taking possession of the site and/or nine months of signing the Franchise Agreement, and you have demonstrated good faith efforts to meet these deadlines, you may request a 60-day extension and pay a fee of \$2,000. Otherwise, if you have not made efforts to meet the deadlines or do not open after the extension, we have the right to terminate the Franchise Agreement. (Franchise Agreement Sections 1, 6, and 10.)

4. List of Approved Suppliers. Before you open your location and to the extent we have standards, specifications, or designated suppliers, we will provide you with a copy of our list of approved suppliers and standards and specifications for required or recommended fixtures, furnishings, merchandise, equipment, signage, décor, and other goods and services. Other than as discussed below for the opening package, we do not deliver or install these items. We or our affiliate will sell you an opening package of VIYADA-branded wellness products, including compress balls, essential oils, and herbal tea. We will cause these items to be delivered to you. (Franchise Agreement Section 4(a)(i))

5. Other Advice. We are not required to provide you with other supervision, assistance, or services prior to the opening of the Franchised Business. (Franchise Agreement Section 4(c).) However, if requested, we will advise on additional topics related to the opening of your Franchised Business, including but not limited to purchasing inventory and marketing the business. Other than the training described below, we do not train or hire your employees.

During the operation of the Franchised Business under your Franchise Agreement:

1. Advice. We will provide advice and consultation services to you, including advice about how to resolve operating problems you encounter. If we develop administrative, bookkeeping, accounting, and inventory procedures, you will be required to follow them and we will train you on them. If you request a level of assistance greater than what we provide to other

franchisees, we have the right to charge you our then-current additional training fee. (Franchise Agreement Section 4(a)(iii)-(iv).)

2. Advertising. We may make available to you from time to time advertising materials we prepare for use by VIYADA THAI SPA franchisees generally. We will also establish a Brand Fund, as described below.

3. System Improvements. We will make available to you from time to time all improvements and additions to the System to the same extent and in the same manner as they are made available to VIYADA THAI SPA franchisees generally. Such improvements may include the development of new goods and services that you can or may be required to sell. (Franchise Agreement Section 4(a)(v).)

4. Additional Training. We may offer additional training as we see fit or as you request. We will charge you our then-current additional training fee. You must pay for it at the time of the training, unless alternative billing arrangements are agreed to. Also, you bear all indirect training costs and expenses, such as salary expenses of your employees and all expenses of travel, lodging, meals and other living expenses you and your designee incur. You may be required to attend the additional training and pay our associated fee. Some of the additional training requirements we might require include online and in-person training sessions. (Franchise Agreement Section 4(a)(iv).)

5. Conferences and Conventions. While we are not required to do so, from time to time we may offer conferences and other training courses relating to our industry and to the conduct of the Franchised Business. Franchisees are required to attend all conferences and other required training courses. These courses may be conducted by our employees and/or by other trainers and will address various aspects of our business and other topics of interest to franchisees. We have the right to charge you a tuition fee for each attendee, whether or not the attendee is required to attend. Additionally, you will be responsible for all transportation, lodging, food and other costs incurred by any of your attendees in attending such seminar. (Franchise Agreement Section 4(a)(iv).)

6. Online Presence. We may maintain a website in order to promote the Marks, or any or all of the Franchised Businesses within the System. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. An Online Presence includes but is not limited to (1) the website, other webpages, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites and groups; online, internet, or digital directories; video, audio, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed. We will have the sole right to control all aspects of each Online Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. You may not establish or operate an Online Presence (including a website, webpage, domain name, Internet

address, social media account, blog, forum, advertisement, or e-commerce site) that in any way concerns, discusses or alludes to us, the System or your Franchised Business without our written consent. The Marks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence, except as specifically approved by us. You may not post, and must take such steps as necessary to ensure that your employees do not post any information on an Online Presence that relating to us, the System, the Marks, or the Franchised Business that (a) does not comply with our brand, social media, or Online Presence guidelines described in the Brand Standards Manual, (b) is derogatory, disparaging, or critical of us, the System, or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks.

Subject to the terms of the Franchise Agreement and Brand Standards Manual, we may make available for the benefit of your Franchised Business a location-specific webpage (“Subpage”). We may, at any time, modify the Subpage program or cease to make the Subpage available to you or the public. Upon the termination or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, we will not upload content for you, you may not use the Subpage and we may cease to make the Subpage available to you.

For any Online Presence or email address you are approved to create, use, or maintain, we reserve the right to be exercised at our option to have the Online Presence or email address directly owned by us or to require it to be transferred to us after the expiration or termination of the Franchise Agreement. We have the right to require that any Online Presence or email address we permit you to use, create or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to use. We have the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of our policies and we may take ownership of any Online Presence upon expiration or termination of the Franchise Agreement or during the term of the Franchise Agreement and operate it as we see fit. (Franchise Agreement Section 8(h))

7. Franchise Advisory Council. While we are not required to do so, we reserve the right to form a Franchise Advisory Council (“FAC”). The FAC would provide advice to us on various matters, including advertising. The FAC would serve in an advisory capacity only and would have no operational or decision-making power. We would appoint the members of the FAC in our sole discretion and have the power to form, change or dissolve it at any time. (Franchise Agreement Section 11(w))

8. Pricing. Generally, you will have the right to set prices for the goods and services you offer and sell at your Franchised Business. We will offer you our recommendations and advice about setting prices for your goods and services. If the law in your jurisdiction permits us to do so, we reserve the right to establish minimum or maximum prices, to implement system wide promotional pricing, and to establish specific prices for specific goods and services. (Franchise Agreement Section 12(b))

Other than the training described below in the training section of this Item 11, we do not train or hire your employees.

Development Schedule. The typical length of time we estimate between your signing of the Franchise Agreement (or first paying us money) and opening your Franchised Business is 8 to 9 months. The factors that may increase or decrease this time include the amount of time and effort you commit to the site selection process and the construction of your Franchised Business; the availability of acceptable sites within the geographical area you choose; your ability to obtain a lease, financing and building permits; your credit and personal financials; and zoning and licensing requirements. Delays or a lack of effort by you, your contractors or your prospective landlord will increase these time periods. If you change your employment, business or financial status before the opening of your Franchised Business, you do so at your own risk. Any and all such changes should be made only as a result of careful thought and advanced planning after obtaining advice from appropriate professional advisors.

Training. The Operating Principal and the Operations Manager must attend and successfully complete our initial training program to our satisfaction. If the Operating Principal is the Operations Manager, another staff member or owner may also attend.

We plan to conduct the training program on an as-needed basis. The training will be held and must be completed at least 30 days prior to opening. The first portion of the training will be approximately 10 hours of remote instruction. The balance of the initial training is conducted at our affiliate's Boston, Massachusetts location and generally spans 3 days. The instructional materials include presentations, hands-on demonstrations, and the Brand Standards Manual. Krit Panichpisal will oversee the training program. The exact amount of time spent on each part of the training will depend on the time required for mastery by the students participating in the training. All training will be provided by trainers with at least 1 year of experience operating a VIYADA THAI SPA Franchised Business or with authentic Thai massage techniques.

There is a charge for this training program. However, your initial franchise fee includes the cost of initial training for up to two persons pre-opening. If you have additional staff attend, you will incur an additional fee of \$1,500 per person. You bear all indirect training costs and expenses, such as salary expenses of your employees and all expenses of travel, lodging, meals, and other living expenses you and your designees incur.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
History/Philosophy of Viyada Thai Spa	.25	0	Training Center in Boston, MA
Franchise Reporting, Responsibilities to the Franchisor, and Services of the Franchisor Organization	.5	0	Training Center in Boston, MA
Use of the Manual	.25	0	Training Center in Boston, MA
Pre-Opening Procedures	1	0	Training Center in Boston, MA
Marketing and Promotion	1	0	Training Center in Boston, MA
Human Resources	1	0	Training Center in Boston, MA
Daily Spa Operating Procedures	2	8	Training Center in Boston, MA / In Field at your Location
Service Procedures	2	6	Training Center in Boston, MA / In Field at your Location
Managing Your Business	2	0	Training Center in Boston, MA
Total	10	14	

In addition to the initial training program, we will provide you with onsite training at your Franchised Business for six days, which includes two days for training of your massage therapists in Thai massage techniques.

Replacement Operations Managers and Operating Principals must successfully complete the initial training program and a \$1,500 fee will be assessed for this training.

We require your business to have a lead massage therapist at all times after you have been open for six months. To become a lead massage therapist, the therapist must attend and successfully complete a two-day training we provide. We do not charge a fee for this lead therapist training, but you are responsible for travel, food, and lodging for the attendee. The lead therapist will have responsibilities for training other massage therapists at the Franchised Business.

Brand Standards Manual. The Brand Standards Manual contains mandatory and suggested specifications, standards, and procedures. It is confidential and remains our property. Your employees are to see it only on a need-to-know basis, subject to confidentiality agreements. We

may modify this material from time to time and its modified terms are binding on you. The table of contents for our Brand Standards Manual is set forth in Exhibit K and the manual has 250 pages. Revisions to the Brand Standards Manual will be made in our sole discretion.

Advertising.

Local Advertising Requirement. We require that you spend the greater of 1% of your monthly Gross Sales or \$1,000 per month on local advertisement and marketing. We can increase the \$1,000 minimum by up to 10% each year. We may require that you submit documentation at least quarterly to us to verify to us that you are meeting this requirement. In the event that you spend less than the minimum on local advertising, we will require that you pay the Brand Fund the difference between the required minimum and the amount you actually spent on local advertising. We can require that you pay us these amounts and we will spend them on your behalf. (Franchise Agreement Section 8(a)(iii))

You must spend at least \$5,000 on grand opening advertising and marketing during the 90-day period around your opening. We may require you to spend up to \$10,000 based upon the conditions of your market. (Franchise Agreement Section 8(a)(i))

You must use only advertising materials we have approved for your use. (Franchise Agreement Section 8(d)-(e).) You may develop marketing materials for your own use at your own cost. We encourage the sharing by franchisees of marketing ideas and materials. We require you to submit marketing and promotional materials to us in advance and to obtain our approval before using them. If we do not approve of your marketing materials within 20 days after you submit them to us, then they are deemed disapproved, and you may not use such materials. You are required to follow our instructions in connection with any marketing or promotional materials we provide for your use.

Brand Fund. We have established a fund (“Brand Fund”) to pay for a brand development program, which is supported by a fee you and other franchisees pay. Your fee is currently 1% of Gross Sales per week. We reserve the right to require you to pay up to 2% of your Gross Sales. (Franchise Agreement Section 8(a)(ii), 8(b))

We have the sole discretion to determine where the Brand Fund contributions will be spent to promote, enhance, or further the growth of the VIYADA THAI SPA brand, Franchised Businesses, and System, including, but not limited to: research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, technology companies, or in-house personnel to assist in developing the VIYADA THAI SPA brand name; developing, evaluating, or using technologies that we believe may benefit the brand, the customers, franchisees, or brand’s reputation; developing new franchisee revenue sources; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media content, including, but not limited to,

advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand. Your contributions will not be used to offset our expenses, except for our reasonable administrative costs and overhead that we incur because of the administration of the Brand Fund and its activities and for the cost of personnel we hire or contract with to create and implement the programs paid for by the Brand Fund.

While we do not anticipate that any part of contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations or recognition of the VIYADA THAI SPA brand, for the creation and maintenance of a website or Online Presence, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available” or similar language.

We are not required to make expenditures for you that are equivalent or proportionate to your Brand Fund contributions or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

In our prior fiscal year, we did not collect or expend any funds from the Brand Fund.

Other franchisees’ Brand Fund contributions may be calculated at a different rate or on a different basis and, under limited circumstances, certain franchisees may not be required to pay Brand Fund fees. Our company-owned outlets are not required to contribute to the Brand Fund on the same basis as franchisees but may choose to do so by policy. We have the sole discretion to settle or forgive any accrued and unpaid Brand Fund contributions owed by a franchisee. Currently, the Brand Fund contributions are payable to us. We reserve the right to establish in the future a nonprofit corporation or other business entity to collect Brand Fund contributions from our franchisees. The Brand Fund is currently administered by our personnel under our direction. Unless required by state law, we are not required to provide you with any accounting of or financial statements relating to the expenditures of the Brand Fund. The Brand Fund is not audited.

Brand Fund monies not spent in the fiscal year in which they accrue are carried forward to cover marketing expenses in future years. Although the Brand Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Brand Fund, however, until all money in the Brand Fund has been spent for brand building purposes, or returned to the contributors of the Brand Fund on the basis of their respective contributions. We may have the Brand Fund borrow from us or other lenders to cover any Brand Fund deficits. We may have the Brand Fund invest any surplus for the Brand Fund’s future use.

Other Advertising by Franchisor. We have no obligation to advertise the System, the brand, or your Franchised Business. We are not required to spend any amount in the region or Territory where your Franchised Business is located. If we do undertake any advertising, we have sole discretion to select the media, coverage, source of advertising (agency, digital marketing company, in-house, etc.), and distribution area, which may be local, regional, or national. We will make available to you, from time to time, marketing materials we prepare for use by our franchisees

generally. You may use such materials in any local marketing. You will pay for all associated costs. We do not have any obligation to supply you with any advertising or promotional materials produced by or for us at our sole expense. (Franchise Agreement Section 8(f))

Local Advertising Cooperatives. While we have not yet established any local advertising cooperatives, we have the right to require that advertising cooperatives be formed, changed, dissolved, or merged. If a cooperative is formed for the region you are in (with the regions being determined by us in our sole discretion), you must participate. If a unit owned by us or our affiliates is in the region included in a cooperative, that unit would participate in and contribute to the cooperative on the same basis as franchisees. Each local advertising cooperative would be required to adopt written governing documents which would be available for your review. Each cooperative would determine its own voting procedures; however, each franchisee and each company-owned VIYADA THAI SPA Franchised Business would be entitled to one vote in any local advertising cooperative. The members and their elected officials would be responsible for administration of the cooperative. Advertising cooperatives would be required to prepare quarterly and annual financial statements prepared by an independent CPA which would be required to be made available to all franchisees in the advertising cooperative. Any cooperative formed is not a trust fund. We would have no fiduciary duty to you or any franchisee in connection with the collection or use of the cooperative monies or any aspect of the operation of the cooperative. The local advertising cooperative has the right to determine its own fees. Unless the cooperative votes to determine otherwise, the highest fee that can be imposed is 2% of Gross Sales per month. There is no minimum fee. In our discretion, we can require you to contribute to the cooperative up to 50% of the Local Advertising minimum, which will count toward your Local Advertising spend. (Franchise Agreement Section 8(c))

Computer Systems. You must obtain and use the Computer Systems we require from time to time. “Computer Systems” means hardware; electronics; computer systems; mobile devices; applications; software, online services, and cloud-based systems; communications links, systems, providers, and applications; scheduling systems; security systems; robotics; automation; and other technologies available now or developed in the future. We may modify specifications for and components of the Computer Systems. Our modification of specifications for the Computer Systems might require you to purchase, lease, and/or license new or modified Computer Systems and to obtain service and support for the Computer Systems. There are no limitations on the frequency or cost of your obligations to change, upgrade, and update your Computer Systems. We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer Systems. (Franchise Agreement Section 11(q))

Currently, the required Computer Systems consist of two laptop or desktop computers, a printer and a scanner, two to three tablets, a music and audio system, security system with cameras and monitor, accounting software, scheduling, payment, and business administration software, software front desk assistant, and business processes software. We estimate the initial costs of these items to be between \$4,650 and \$7,000. You must also obtain subscriptions to music, telephone, security, and internet services. We estimate the subscription costs for three months to be between \$1,000 and \$1,500. We estimate it will cost approximately \$1,000 per year to maintain the required Computer Systems.

You will pay us a weekly Technology Fee that is currently applied towards email addresses and website maintenance and security. The currently fee is \$35 per week and we can increase it by up to 20% per year.

The data generated and stored on these Computer Systems includes customer data, transaction data, financial and accounting information, marketing information, business operational data, and payment information.

We may develop proprietary or non-proprietary Computer Systems. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us commercially reasonable fees and/or enter into license agreements directly with supplier. Additionally, if we enter into a license agreement with a supplier and sublicense the Computer Systems to you, we may charge you for all amounts we pay to the supplier based on your use, plus a reasonable amount to compensate us for the services that we or our affiliate provide.

Despite the fact that you must buy, use, and maintain the Computer Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which your Computer Systems interface with our and any third party's computer system; and (3) any and all consequences if the Computer Systems are not properly operated, maintained, and upgraded. We recommend that you back up your data locally, which may require you to purchase a "back-up" subscription service. We are not responsible under any circumstances for any malfunction or "crash" of the Computer Systems we require, recommend, provide, or approve, including for any Franchised Business data lost as a result of that malfunction or "crash."

You will grant us and we will have independent access to the information collected by your Computer Systems. We will require you to provide us with 24/7, unlimited, and remote access to your Computer Systems and data. There are no other contractual limitations on our right to access your Computer Systems for this information and data. You must disclose to us any passwords or codes associated with the Computer Systems. We have the free and unfettered right to independently retrieve any data and information from your Computer Systems as we, in our sole discretion, deem appropriate.

ITEM 12. TERRITORY

Territory Protections. Except if you operate your Franchised Business at a captive location, you will receive a protected territory that we designate in Attachment 1 to the Franchise Agreement ("Territory"). Typically, that Territory will have a minimum population of 50,000 people. We will use maps, US Census data, and other data we deem reliable in determining your Territory. We reserve the right to grant you a Territory with a smaller or greater population, as mutually agreed upon by you and us. Subject to your compliance with the Franchise Agreement, we will not operate or grant a franchise for the operation of another massage therapy spa at a fixed location under the Marks within your Territory. If you default under the Franchise Agreement, we reserve the right to undertake certain actions in lieu of termination of the Franchise Agreement, including

modifying the size, population, or the protections of the Territory or completely eliminating the Territory. Otherwise, there are no circumstances that permit us to modify your Territory rights. The continuation of your territorial rights does not depend on the achievement of any particular sales volume, market penetration, or other contingency.

If you operate your Franchised Business at “captive location” such as a hotel, enclosed mall, airport, university, or military base, you will not receive any Territory protections.

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.

The Franchised Business must be developed and operated at the accepted site identified in your Franchise Agreement. You may only relocate the Franchised Business after receiving our prior written approval. We will not unreasonably withhold our approval, provided that the new site complies with our then-current site criteria, is located within the Territory, and does not infringe upon the territory we have assigned to any other Franchised Business. The Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional territories.

Territory Restrictions. You may not advertise, solicit, or market outside your Territory unless we grant you prior written permission to do so. You may not sell goods or provide services off-site unless we grant you prior written permission to do so. If you obtain our prior written permission, you must follow our policies regarding any out-of-Territory or off-site activity. If we grant you permission to conduct any out-of-Territory or off-site activity, you do not receive any additional territory or exclusivity rights. We have the right to terminate or suspend your approval to conduct any out-of-Territory or off-site activities.

You agree not to sell any items through other channels of distribution unless you receive our prior approval, including retail stores, at customer locations, mobile services, catalogs, mail order, telemarketing, mobile application, or the Internet or other electronic means. You may not sell any goods at wholesale. You may provide goods and services to any customer who visits the premises of the Franchised Business.

Rights We Reserve Under the Franchise Agreement. Regardless of either proximity to your Territory or any actual or threatened impact on sales of your business, we retain the right all rights not expressly granted to you, including, among others, to: (a) use the Marks and System in connection with establishing and operating VIYADA THAI SPA businesses at any location outside the Territory; (b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise, goods, or products) or services anywhere in the world (including within the Territory), whether or not you also offer them, through channels of distribution other than operating VIYADA THAI SPA-branded Franchised Business that operates using the Marks and the System at a fixed location, including, for example, retail stores, at customer locations, mobile services, catalogs, mail order, telemarketing, mobile application, or the Internet or other electronic means; (c) acquire, be acquired by, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the


Territory); or (d) use the Marks in connection with soliciting or directing advertising or promotional materials to clients and clients anywhere in the world (including within the Territory).

If we decide to exercise these rights, we will not be obligated to compensate you for sales made inside or outside your Territory. We are not obligated to compensate you if we solicit in or accept orders from the Territory. Although we have the right to do so, we and our affiliates have no plans to operate or franchise a business under a different trademark.

ITEM 13. TRADEMARKS

We use, promote, and license certain trademarks, service marks, and other commercial symbols, including the mark “VIYADA” in the operation of VIYADA THAI SPA businesses (“Marks”). The Marks have gained and will continue to gain public acceptance and goodwill. We may develop other trademarks, service marks, and commercial symbols for Franchised Businesses. If we do, these other marks and symbols will become part of the Marks. We will sublicense the Marks to you.

Our affiliate owns the trademark registrations cited below. The registrations are for the Principal Register of the U.S. Patent and Trademark Office (“USPTO”).

Mark	Registration Number	Registration Date
VIYADA	4972369	June 7, 2016
	4457855	December 31, 2013

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks. We are not aware of any superior prior or infringing uses of the Marks.

Our affiliate has filed or intends to file all affidavits and renewal filings for the Marks when they are due. Our affiliate has filed the declaration of use for the “VIYADA” Mark and the renewal for the logo.

By a license agreement, our affiliate, KP Thai Group, Inc., has granted us a license to use and sublicense to our franchisees all of its trademarks and service marks that are or may be associated with the System (“Trademark License Agreement”). If the Trademark License Agreement is terminated, the sublicenses with our franchisees will remain until the termination or expiration of their Franchise Agreements or renewal agreements. Additionally, all Franchise Agreements shall automatically be assigned to our affiliate. The Trademark License Agreement is perpetual in duration but may be canceled or modified upon mutual agreement, our breach of the agreement and failure to cure, if we cease to be affiliates, or if we give notice. There are no other agreements

currently in effect that significantly limit our rights to use or license the use to franchisees of the trademarks in any manner material to you.

Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the Franchised Business according to the Franchise Agreement and all system standards during the term of the Franchise Agreement.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not communicate with any person other than us, our affiliate, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We or our affiliate may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding resulting from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable action that, in the opinion of our or our affiliate's attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. No agreement obligates us to protect your rights to use the Marks or defend or protect you against claims of infringement or unfair competition arising out of your use of the Marks. We have no obligation to indemnify you for any use or misuse of our Marks. At our option and not obligation, we, our affiliate, or our designee may defend and control the defense of any proceeding resulting from your use of any Mark under the Franchise Agreement.

We reserve the right to substitute different proprietary marks for use in identifying the System and the business operating in our sole discretion. You must comply with such change, revision, or substitution and bear all expenses associated with such changes.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents. No patents or patent applications are material to the Franchised Business.

Copyrights. We claim copyright protection covering various materials used in our business and the development, management, and operation of a VIYADA THAI SPA Franchised Business, including advertising and promotional materials, the Brand Standards Manual, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so. We may register any of these items or copyrightable materials in the future.

There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. There are no agreements related to the copyrights that limit our rights to use them or license them to you for normal operations of the business.

No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted

materials. You must notify us of claims by others of rights to, or infringements of, the copyrighted materials. We or our affiliate has the discretion but no obligation to take any action when notified of infringement. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification. We or our affiliate have the right to control all litigation related to the copyrights.

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

Innovations. If you or your owners, officers, managers, contractors, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, formulae, goods, services, or other concepts and features relating to Franchised Business operations, massage services, or related goods and services (“Innovations”), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. You and your owners, officers, managers, contractors and employees also must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations. The Innovations may become Confidential Information.

Confidential Information. We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (“Confidential Information”), concerning operating, developing and managing Franchised Business. Confidential Information means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to clients, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, e-mail addresses for clients and suppliers; client purchase records and mail lists); proprietary massage techniques and goods; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that we or our affiliates designates as confidential, including all information contained in the Brand Standards Manual. Any passwords or other digital identifications necessary to access the Brand Standards Manual on an electronic platform will be deemed to be part of Confidential Information.

You will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Franchised Business during the Franchise Agreement’s term, and that Confidential Information is proprietary and is disclosed to you only on the condition that you: (1) will not use Confidential Information in any other business or capacity; (2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Franchise Agreement’s term and after the term; (3) will not make unauthorized copies of any Confidential

Information disclosed via electronic medium or in written or other tangible form; and (4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Franchised Business personnel and others and using non-disclosure agreements with those having access to Confidential Information.

All persons with access to Confidential Information, including the Operations Manager and other managers, must sign non-disclosure agreements in the form we specify. You are obligated to maintain in your files those signed confidentiality agreements we specify and make them available to us upon request.

We and our affiliates may, with sole discretion, modify or discontinue use of the Innovations, the claimed subject matter of any patents or patent applications, the copyrights and the Confidential Information and/or use other information and/or rights in their place. If we decide to do so, you must do so also, at your expense.

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

Every franchisee must designate an Operating Principal who is an owner of at least 10% of the franchisee. The Operating Principal will be our contact for all operational and franchise matters. The Operating Principal is not required to be on-site or supervise the business in a full-time capacity but must be knowledgeable about the business.

Direct supervision and on-site management of the Franchised Business will be done by the Operations Manager. We do not require that your Operations Manager be an owner or the Operations Principal. Your Operations Manager must execute a confidentiality and non-solicitation in the form we require. If the Operations Manager is not on-site, other trained managers must oversee the operations of the Franchised Business.

Both the Operating Principal and the Operations Manager must be accepted by us and successfully complete the initial training program and other supplementary training we may require. You must designate a replacement Operating Principal or Operations Manager within 60 days of the departure of such person. Once accepted by us, the new Operating Principal and Operations Manager must promptly complete the training program and execute the forms of agreement we may require.

We prefer to select franchisees who favor and appear committed to a “hands on” and well-informed approach to the business. We strongly recommend that you devote a substantial amount of time to your Franchised Business, whether or not you hire a non-owner Operations Manager. Franchisees who do not devote their full time and efforts to the establishment and operation of their Franchised Businesses may have lower gross sales, higher operating costs and lesser name recognition in their areas than those franchisees who do devote their full efforts to the business.

All owners and their spouse must execute a personal guaranty and our forms of confidentiality, non-solicitation and, if applicable, non-competition agreements.

The people you retain to work in your Franchised Business will be your agents and employees. They are not our agents or employees and we are not a joint employer of such persons. You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business and must determine whom to hire, how many people to hire, retain, and train, and how you will compensate such persons. You are responsible for your employees' and agents' training, wages, taxes, benefits, safety, schedules, work condition, assignments, discipline, and termination. You must comply with all applicable employment laws. We will not operate your Franchised Business, direct your employees, or oversee your employment policies or practices.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all goods and services we require and only the goods and services we approve. We impose these requirements to control the quality and uniformity of the goods and services you and other franchisees may offer through use of our Marks. We have the right to add and delete items from the list of approved goods and services. There are no limits on our right to make these changes. We reserve the right to charge you a fine up to \$1,000 per occurrence if you sell unauthorized goods or services or fail to follow our system standards.

You may not advertise, solicit, or market outside your Territory unless we grant you prior written permission to do so. You may not sell goods or provide services off-site unless we grant you prior written permission to do so. If you obtain our prior written permission, you must follow our policies regarding any out-of-Territory or off-site activity. If we grant you permission to conduct any out-of-Territory or off-site activity, you do not receive any additional territory or exclusivity rights. We have the right to terminate or suspend your approval to conduct any out-of-Territory or off-site activities. You agree not to sell any items through other channels of distribution unless you receive our prior approval, including retail stores, at customer locations, mobile services, catalogs, mail order, telemarketing, mobile application, or the Internet or other electronic means. You may provide goods and services to any customer who visits the premises of the Franchised Business.

You will be obligated to offer and sell those new services and goods, and to participate in all local, regional, and promotional program initiatives and campaigns adopted by us in which we require you to participate. There is no limit on the number of promotions you may be required to offer during a year or on the amount you would be required to spend. You will not receive any credits or offsets for participation. We have the right to designate which of our franchisees may, or will be required to, participate in new good or service tests, new or modified good or service offerings and other programs and initiatives that we may, from time to time, develop. If we designate you for participation in any such program, initiative, or campaign, you must participate when and as required by us. There are no limits on rights to require you to offer and sell those new goods or services or to participate in those programs, initiatives, and campaigns.

You will be required to participate in the membership, loyalty and gift card programs we designate. The offers provided under the membership, loyalty and gift card program may be limited to the business where the customer originally joined or may be required to be made available at any VIYADA THAI SPA business. We can modify or discontinue any membership, loyalty and gift card program at any time. Participation will involve honoring the terms and conditions, including prices, we may set. Through the membership, loyalty and gift card program, customers may be

entitled to a discount on goods and services. You will not be entitled to receive payment or be reimbursed for any discounts on goods or services offered through the membership, loyalty or gift card program. The foregoing is all subject to the limitations of applicable law.

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

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement § 2(a)	Initial term is 10 years.
b. Renewal or extension of the term	Franchise Agreement § 2(b)	Two additional renewal terms of 5 years each, provided you remain a franchisee in good standing.
c. Requirements for franchisee to renew or extend	Franchise Agreement § 2(b)	You must be in good standing. You must timely provide notice of intention to renew. You must agree to the terms of the Franchise Agreement then being offered, make required upgrades to your Franchised Business, obtain a sufficiently long lease, sign a release, attend training, and pay your renewal fee. Upon renewal, you may be asked to sign a contract with materially different terms and conditions than your original contract. The royalty rate and protected Territory could be different.
d. Termination by franchisee	Franchise Agreement §§ 2(c) and 17(e)	For cause, if we breach a material provision of the contract and fail to cure 90 days after written notice then you can terminate with 30 days' notice if you are compliant with the terms of your agreement.
e. Termination by franchisor without cause	Not applicable	We cannot terminate except for cause.
f. Termination by franchisor with cause	Franchise Agreement §§ 17(a) and 17(b)	Section 17(a) describes cause for automatic termination. Section 17(b) describes cause for termination upon notice. Section 17(c) describes causes for termination if you fail to cure the default after receiving notice. A default under any Franchise Agreement will be a default under all Franchise Agreements with us. We have a step-in right upon default.

PROVISION	SECTION IN AGREEMENT	SUMMARY
g. “Cause” defined – curable defaults	Franchise Agreement §§ 17(a), 17(b), and 17(c)	Noncompliance; failure to timely open, obtain lease, or identify a site; non-payment; unauthorized transfers; threats to health or safety; misuse of the System or Marks; unlawful behavior; under-reporting; failure to pay suppliers; failure to have sufficient funds in account; repeated customer complaints; breach of computer system agreements; unauthorized supply relationships or failure to comply with our standards for offerings and suppliers. Unless we have been through this 2 times already within 12 months or 3 times in a 3-year period, you have 15 days to totally cure after we deliver you a notice of default.
h. “Cause” defined – non-curable defaults	Franchise Agreement §§ 17(a), 17(b), and 17(c)	Abandonment; loss of right to the premises or to do business; unauthorized transfers; criminal convictions or conduct; failure to timely transfer upon death or disability; 2 defaults within 12 months or 3 defaults in 3 years; misrepresentations; failure to comply with covenants; false records or submissions; impair the value of the Chain, Marks, or System; dishonest dealings with employees; repeated defaults within 6 months; failures of Franchisee and the Operations Manager to satisfy pre-opening obligations; loss of a required license; commencing operations without our approval; operating under unapproved trademarks; uncurable actions; bankruptcy, receivership, attachment and the like. A provision in the Franchise Agreement that terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, U. S. Code Section 101.

PROVISION	SECTION IN AGREEMENT	SUMMARY
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement §§ 11(j), 14, 15, and 18	Cease operations; cease using the System, Marks, trade dress, customer information and other proprietary information; return our property; cancel assumed names; pay all sums owed to us; pay damages and costs associated with the termination; cooperate with our purchase rights and lease assignment rights; comply with our instructions for computer systems and customer lists; assign us phone numbers and other accounts; comply with the covenants against unfair competition and covenants of confidentiality and non-solicitation; pay us gift card liability if you were terminated early; if requested, assign us membership agreements or provide refunds to customers.
j. Assignment of contract by franchisor	Franchise; Agreement § 13(a)	We may freely assign our rights and duties under the Franchise Agreement.
k. "Transfer" by franchisee - definition	Franchise Agreement § 13(b) - (g)	The definition of transfer includes issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, and transfer by operation of law.
l. Franchisor's approval of transfer by franchisee	Franchise Agreement § 13(c)	Our prior written approval is generally required to transfer. The franchise can be terminated for non-compliance. We will not unreasonably withhold approval.
m. Conditions for Franchisor's approval of transfer	Franchise Agreement § 13(d)	Transferee must attend and successfully complete our training, assume your gift card liability and memberships, and execute the Franchise Agreement and collateral agreements in the then-current form. Transferee must refurbish the Franchised Business to our then-current specifications, provide required information, and be in compliance. You must release us of all claims. Guarantees and share restriction agreements are required if transfer is to a corporation or LLC. You must offer us a 45 day right of first refusal. You must pay us a transfer fee. A purchaser must have a credit rating, moral character, reputation and business qualifications satisfactory to us, and must meet all then current requirements of new franchisees. Exiting owners and franchisees must continue to comply with covenants under the franchise agreement.

PROVISION	SECTION IN AGREEMENT	SUMMARY
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement § 13(c)	45 days. We may assign it to another.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement: § 13(c), § 18(i) and (j)	We have a 60-day option to purchase your assets upon termination or expiration of the Franchise Agreement for book value. Upon termination or expiration, you may have to assign your lease, phone numbers, accounts, Online Presences, etc. to us without compensation.
p. Franchisee's death or disability	Franchise Agreement § 13(g)	Your interest must be transferred to an approved transferee within 6 months after your death or disability. Upon death or disability, we will have a step-in right.
q. Non-competition covenants during the term of the franchise	Franchise Agreement § 14(a) and (b)	You must not own or otherwise engage in any business which receives 15% or more of its revenue from the offering or sale of massage services or any amount of its revenue from Thai massage services. There are also non-solicitation and confidentiality covenants.
r. Non-competition covenants after the franchise is terminated/ expires	Franchise Agreement § 14(c) and (d)	For 2 years after termination or expiration of the Franchise Agreement, you must not own or engage in a business located within 5 miles of your Franchised Business or any other VIYADA THAI SPA business, which receives 15% or more of its revenue from the offering or sale of massage services or any amount of its revenue from Thai massage services. There are also non-solicitation and confidentiality covenants.
s. Modification of the agreement	Franchise Agreement § 23(e)	We reserve the right to amend the Franchise Agreement if a change proposed by us is agreed to by 70% of the then-current franchisees. Otherwise, no modifications to the Franchise Agreement other than in writing.
t. Integration/ merger clause	Franchise Agreement § 23(c)	Only the terms of the Franchise Agreement are binding. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement § 21(a)	Except for certain claims, all disputes not first settled informally must be brought in courts having jurisdiction in Boston, Massachusetts.

PROVISION	SECTION IN AGREEMENT	SUMMARY
v. Choice of forum	Franchise Agreement §§ 21(a) and 21(b)	Boston, Massachusetts courts. Subject to state law.
w. Choice of law	Franchise Agreement § 21(h)	Massachusetts law. Subject to state law.

Refer to the state law addendums in Exhibit D for information specific to the laws of your state.

ITEM 18. PUBLIC FIGURES

We use no public figures to promote the franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

The below chart discloses historical information from the single affiliate-owned VIYADA THAI SPA located in Boston, Massachusetts during the calendar years 2023 and 2024. We do not have any franchisees yet. This affiliate owned spa is substantially similar to the spas being offered under this disclosure document. This affiliate-owned spa also offers Thai massage instruction, but those revenues are excluded from the chart below because you will not be offering Thai massage instruction. The affiliate-owned spa has 4 massage rooms and uses approximately 1,800 square feet for providing massage services.

	2023			2024	
	Amount	Percent of Gross Sales		Amount	Percent of Gross Sales
Gross Sales	\$574,448	100.0%		\$921,520	100.0%
Labor Cost	\$281,587	49.0%		\$383,293	41.6%
Supplies	\$5,489	1.0%		\$6,856	0.7%
Cost of Goods Sold	\$287,076	50.0%		\$390,149	42.3%
Gross Margin	\$287,372	50.0%		\$531,371	57.7%
Franchise Costs					
Royalty	\$34,467	6%		\$55,291	6%
Brand Fund	\$5,744	1%		\$9,215	1%
Technology Fee (\$35 per week)	\$1,820	0.32%		\$1,820	0.20%

Local Advertising Expenditure (Greater of \$1,000 per month or 1% of Gross Sales)	\$12,000	2.1%		\$12,000	1.3%
Adjusted Gross Margin	\$233,341	40.6%		\$453,045	49.2%

Notes:

“Gross Sales” means the total of gross revenue derived from the operation of the spa, including, but not limited to, revenue from services rendered by the spa, from the sale of goods, and from the sale of memberships and pre-paid packages, whether from sales for cash or credit and regardless of the collection thereof. Gross Sales also includes any proceeds received from business interruption insurance and gift card redemptions. Gross Sales does not include sales taxes or gift card sales or discounts issued to customers.

“Labor Cost” includes compensation paid for directly employed staff (including payroll taxes) and contracted labor.

“Adjusted Gross Margin” is equal to Gross Sales less Cost of Goods Sold less Franchise Costs. You must consider your obligations under the Franchise Agreement to pay the Royalty, Brand Fund contribution, and Technology Fee, and to make the required minimum local advertising expenditures. Our affiliate did not pay these fees.

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

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our President, in writing at 336 Newbury St. 2nd Fl., Boston, MA 02115, 617-383-4318, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Years 2022, 2023, 2024

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	1	0

Table 2
Transfers from Franchisees to New Owners (Other than the Franchisor)
For Years 2022, 2023, 2024

STATE	YEAR	NUMBER OF TRANSFERS
Massachusetts	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	0
	2024	0

Table 3
Status of Franchised Outlets
For Years 2022, 2023, 2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERM- INATIONS	NON- RENEWALS	OUTLETS REACQUIRED BY FRANCHISOR	CEASED OPERATIONS— OTHER REASONS	OUTLETS AT END OF THE YEAR
Massachusetts	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For Years 2022, 2023, 2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
Massachusetts	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table 5
Projected Openings as of December 31, 2024
For Year 2025

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
Massachusetts	0	1	0
New York	0	1	0
TOTALS	0	2	0

Among the attached Exhibits you will find:

Exhibit B-1. Listing of Current Franchisees lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of January 1, 2025.

Exhibit B-2 Listing of Certain Past Franchisees lists the name, city, state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this FDD. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no independent franchisee organizations that have been asked to be included in this disclosure document. We have not created, sponsored, or endorsed any franchisee organizations.

Within the past 3 years, we have not signed any confidentiality agreements with our franchisees limiting their communication with you.

ITEM 21. FINANCIAL STATEMENTS

We began selling franchises in 2025. Attached as Exhibit C is our audited opening balance sheet dated January 2, 2025. Because we have not been franchising for 3 years or more, we do not have 3 years of audited financial statements. Our fiscal year end is in December.

ITEM 22. CONTRACTS

A copy of the following contracts or documents are also attached as Exhibits hereto:

Exhibit A	VIYADA THAI SPA FRANCHISE AGREEMENT with attached Franchise Rider, Lease Rider, Internet, Social Media, and Telephone Assignment, Guaranty, Nondisclosure and Noncompetition Agreement, and Nondisclosure and Non-solicitation Agreement
Exhibit F	Sample General Release
Exhibit G	ACH Transfer Agreement
Exhibit H	First Addendum to Renewal Franchise Agreement
Exhibit I	Agreement and Conditional Consent to Transfer

ITEM 23. RECEIPT

You will find copies of a detachable receipt in Exhibit L at the very end of this disclosure document. Please sign both acknowledging receipt of this disclosure document and return one of them to us for our files.

**EXHIBIT A
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

	PAGE
RECITALS	1
1. Grant	1
2. Term, Expiration, and Additional License Period	2
3. Required Franchise Fees and Payment	6
4. Franchisor Services	8
5. Territorial Provisions	10
6. Premises	12
7. Proprietary System and Marks.....	13
8. Advertising.....	16
9. Telephone Number.....	22
10. Construction, Design and Appearance: Equipment	22
11. Operations, Standards of Quality, Inspections.....	24
12. Supplies, Products and Services	36
13. Transfer; Franchisor's Right of First Refusal	38
14. Covenant Against Unfair Competition	42
15. Trade Secrets and Confidential Information	45
16. Insurance	46
17. Termination.....	47
18. Obligations upon Termination, Expiration, or Non-Renewal.....	53
19. Independent Contractor; Indemnification	56
20. Franchisee Representations.....	59
21. Governing law, Jurisdiction and Venue.....	61
22. Notices	64
23. Miscellaneous	65

Attachment 1 -- Franchise Rider

Attachment 2 -- Lease Rider

Attachment 3 -- Internet, Social Media, and Telephone Assignment

Attachment 4 -- Guaranty

Attachment 5 -- Nondisclosure and Noncompetition Agreement

Attachment 6 -- Nondisclosure and Non-Solicitation Agreement

**VIYADA FRANCHISE GROUP INC.
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into as of _____ by and between VIYADA FRANCHISE GROUP INC., a Massachusetts corporation (“Franchisor”), and _____, a _____, (“Franchisee”). If Franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners (“Owners”).

RECITALS:

A. Franchisor has expended time, money and effort to develop a unique system for operating a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services. (The methods of operation, know how, experience and form of operation acquired, devised and/or established by Franchisor are referred to herein as the “System”; the chain of current and future VIYADA THAI SPA Franchised Businesses are referred to herein as the “Chain.”)

B. The distinguishing characteristics of the System include the name “VIYADA THAI SPA”, including traditional, authentic Thai massage techniques; Thai wellness products; distinctive design, décor, color scheme, and furnishings; standards, specifications, and procedures for operations; training and assistance; and advertising and promotion programs, proprietary intellectual property and trademarks, and the Brand Standards Manual (defined below), all of which Franchisor may improve, amend, and further develop from time to time.

C. Franchisor has the right to license certain service marks, trade names and trademarks, including, but not limited to, the “VIYADA THAI SPA” trademark as well as certain other trademarks, service marks, slogans, logos and emblems which have been and which may hereafter be designated by Franchisor for use in connection with the System (“Marks”).

D. Franchisee desires to obtain a license from Franchisor for use of the Marks and the System solely for the operation of a business at the location listed below (“Franchised Business”), and Franchisee desires to use the Marks, the System, other benefits derived from this franchise relationship strictly in accordance with the provisions set forth below.

NOW, THEREFORE, in consideration of the recitals and the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Grant; Select Definitions.

Franchisor hereby grants to Franchisee, on the terms and conditions contained in this Agreement, and Franchisee accepts from Franchisor, a license (“License”) to establish, own, and operate under the System, one (1) Franchised Business at the location (“Location”) specified in the Franchise Rider (“Franchise Rider”) attached hereto as Attachment 1. Franchisee agrees to identify the Franchised Business and all of the items and services Franchisee sells or offers for sale only by the Marks. Franchisee has no right to use the System or the Marks for any purpose other

than as expressly provided herein. Franchisor grants franchises and the rights to develop and operate a VIYADA THAI SPA Franchised Business only pursuant to the express terms of written agreements and not orally.

Pursuant to this grant, Franchisee, at its own expense, shall construct or remodel, and equip, staff, open and operate the Franchised Business at the Location, in accordance with this Agreement. Unless otherwise agreed in a writing executed by Franchisor, Franchisee shall commence operating the Franchised Business within nine (9) months after the execution of this Agreement and/or six (6) months after taking possession of the Premises, and shall diligently operate such business in accordance with this Agreement and the Brand Standards Manual for the Initial Term stated herein. Failure to timely open the Franchised Business shall constitute an event of default under the Agreement. In such foregoing event to timely open the Franchised Business, Franchisee may request a sixty (60) day extension and pay a fee of Two Thousand Dollars (\$2,000) if Franchisee has demonstrated good faith efforts to timely open. Failure to open timely is a default.

Franchisor and Franchisor's affiliates reserve any and all rights not expressly granted to Franchisee under this Agreement. For the purposes of this Agreement, the use of the term "affiliate" shall mean an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

Franchisee covenants that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, and that it will continuously exert its best efforts to promote and enhance the business of the Franchised Business and other franchised businesses established and operated by Franchisee under the System.

2. Term, Expiration, and Additional License Period.

(a) **Initial Term.** The initial term of this Agreement shall commence upon the execution of this Agreement, and shall expire at midnight on the day preceding the tenth (10th) annual anniversary date of the execution of this Agreement ("Initial Term"), unless this Agreement has been sooner terminated in accordance with the terms and conditions herein.

(b) **First Renewal Term.** Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of five (5) years from the date of expiration of the Initial Term ("First Renewal Term"), provided the following conditions have been met prior to the expiration of the Initial Term:

(i) **Notice.** Franchisee has given Franchisor written notice of its intent to renew the License not less than nine (9) months nor more than twelve (12) months prior to the expiration of the Initial Term;

(ii) **Compliance.** Franchisee is not in default of any of the provisions of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the First Renewal Term;

(iii) **Debts Current.** All debts and obligations of Franchisee under this Agreement shall be current, including but not limited to Franchisee's obligations to make

contributions to the Brand Fund (as defined herein) and each Cooperative (as defined herein) of which Franchisee is a member;

(iv) **Notice of Default.** Franchisee has not received more than two (2) notices of default during any consecutive twelve (12) month period during the Initial Term;

(v) **Renewal Agreement.** Franchisee, its Owners, and its guarantors execute and deliver to Franchisor, within thirty (30) days after delivery to Franchisee, the then-current form of VIYADA THAI SPA franchise agreement and ancillary agreements, which agreements shall supersede this Agreement in all respects, and the terms, conditions, obligations, rights, and other provisions of which may be substantially and materially different from those spelled out in this Agreement (including for example, different performance standards, fees structures, increased fees, and/or reduced territory protections);

(vi) **Renewal Fee.** Franchisee has paid to Franchisor a renewal fee of equal to twenty percent (20%) of the then-current initial franchise fee, which fee shall be due in immediately available funds upon the execution of the new franchise agreement;

(vii) **Release.** Franchisee; Owners; guarantors of Franchisee; and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns, execute and deliver to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that they may have against Franchisor; Franchisor's predecessors, and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities;

(viii) **Renovating.** Franchisee shall make or provide for in a manner satisfactory to Franchisor, such renovation, upgrading, and re-equipping of the Franchised Business as Franchisor may require, including, without limitation, renovation, upgrading, or replacement of signs, equipment, furnishings, technology, Computer Systems (as defined in Section 11 below), fixtures, colors, and decor, to reflect the then-current standards and image of the System;

(ix) **Maintain Possession.** Franchisee presents satisfactory evidence that Franchisee has the right to remain in possession of the Location for the duration of the First Renewal Term, unless Franchisor determines that the location of Franchisee's business is no longer viable for the operation of Franchisee's Franchised Business, in which case Franchisor may condition Franchisee's right to renew on Franchisee's obtaining a new site for Franchisee's Franchised Business that Franchisor accepts; and

(x) **Current Training.** Franchisee complies with Franchisor's then-current training requirements.

If Franchisee fails to perform any of the acts set forth in paragraphs (i) through (x) of this subsection in a timely fashion, such failure will be deemed an election by Franchisee not to

exercise its right to enter into a renewal franchise agreement, and will cause Franchisee's right to enter into a renewal franchise agreement to expire without further notice or action by Franchisor.

(c) **Second Renewal Term.** Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of five (5) years from the date of expiration of the First Renewal Term ("Second Renewal Term"), provided the following conditions have been met prior to the expiration of the First Renewal Term:

(i) **Notice.** Franchisee has given Franchisor written notice of its intent to renew the License not less than nine (9) months nor more than twelve (12) months prior to the expiration of the First Renewal Term;

(ii) **Compliance.** Franchisee is not in default of any of the provisions of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Second Renewal Term;

(iii) **Debts Current.** All debts and obligations of Franchisee under this Agreement shall be current, including but not limited to Franchisee's obligations to make contributions to the Brand Fund and each Cooperative of which Franchisee is a member;

(iv) **Notice of Default.** Franchisee has not received more than two (2) notices of default during any consecutive twelve (12) month period during the First Renewal Term;

(v) **Renewal Agreement.** Franchisee, its Owners, and its guarantors execute and deliver to Franchisor, within thirty (30) days after delivery to Franchisee, the then-current form of VIYADA THAI SPA franchise agreement and ancillary agreements, which agreements shall supersede this Agreement in all respects, and the terms, conditions, obligations, rights, and other provisions of which may be substantially and materially different from those spelled out in this Agreement (including for example, different performance standards, fees structures, increased fees, and/or reduced territory protections);

(vi) **Renewal Fee.** Franchisee has paid to Franchisor a renewal fee of equal to twenty percent (20%) of the then-current initial franchise fee, which fee shall be due in immediately available funds upon the execution of the new franchise agreement;

(vii) **Release.** Franchisee; Owners; guarantors of Franchisee; and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns, execute and deliver to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that they may have against Franchisor; Franchisor's predecessors, and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities;

(viii) **Renovating.** Franchisee shall make or provide for in a manner satisfactory to Franchisor, such renovation, upgrading, and re-equipping of the Franchised Business as Franchisor may require, including, without limitation, renovation, upgrading, or replacement of signs, equipment, furnishings, technology, Computer Systems (as defined in Section 11 below), fixtures, colors, and decor, to reflect the then-current standards and image of the System;

(ix) **Maintain Possession.** Franchisee presents satisfactory evidence that Franchisee has the right to remain in possession of the Location for the duration of the Second Renewal Term, unless Franchisor determines that the location of Franchisee's business is no longer viable for the operation of Franchisee's Franchised Business, in which case Franchisor may condition Franchisee's right to renew on Franchisee's obtaining a new site for Franchisee's Franchised Business that Franchisor accepts; and

(x) **Current Training.** Franchisee complies with Franchisor's then-current training requirements.

If Franchisee fails to perform any of the acts set forth in paragraphs (i) through (x) of this subsection in a timely fashion, such failure will be deemed an election by Franchisee not to exercise its right to enter into a renewal franchise agreement, and will cause Franchisee's right to enter into a renewal franchise agreement to expire without further notice or action by Franchisor.

(d) **Expiration.** Renewal of the License after the Initial Term or First Renewal Term shall not constitute a renewal or extension of this Agreement but shall be conditioned upon satisfaction of the above provisions and shall, upon expiration of the Initial Term or First Renewal Term, be governed by the Franchise Agreement then executed by Franchisee. If Franchisee fails to meet any of the conditions under this Section 2(b) or (c) with respect to renewal of the License, then the License shall automatically expire at the end of the Initial Term or First Renewal Term. Subject to the requirements of this Section 2, Franchisee may only be granted a maximum of two (2) Renewal Terms. Franchisee will have no further rights to operate the Franchised Business following the expiration of the Second Renewal Term unless Franchisor grants Franchisee another franchise or agrees to further renewals, in Franchisor's sole discretion. As necessary, the renewal franchise agreement may be amended to reflect this provision. If this Agreement is a renewal agreement, the renewal provisions in Franchisee's original franchise agreement will dictate the length of the term of this Agreement as well as Franchisee's remaining renewal rights, if any.

(e) **Continued Operation Following Expiration.** Unless Franchisee exercises its option to renew the License granted under this agreement in accordance with this Section 2, Franchisee has no right to continue to operate the Franchised Business after the expiration date. If Franchisor permits Franchisee to continue to operate the Franchised Business after the expiration date, but before the execution by Franchisee of a renewal franchise agreement for a new term as required by Section 2(b), then the temporary continuation of the operations of the Franchised Business will be structured on a month-to-month extension of this Agreement and all of its terms, and will be terminable at Franchisor's will by giving Franchisee written notice of termination at least thirty (30) days before the termination is effective. If Franchisor allows Franchisee to continue to operate the Franchised Business on a month-to-month continuation of the Franchised Business and associated extension of this Agreement and all of its terms after expiration of this Agreement for any reason, then Franchisee must pay to Franchisor weekly an additional fee equal

to the greater of One Thousand Dollars (\$1,000) or one hundred fifty percent (150%) of the Royalty due for the same week for every week of month-to-month operation after the expiration date, up to Franchisor's then-current initial franchise fee, which fee shall be in addition to Royalty, Brand Fund contributions, and any other payments due to Franchisor under this Agreement. If applicable law requires a longer notice period, the thirty (30)-day period will be deemed modified to be the shortest notice period required by such laws.

(f) **Notice Requirement.** If applicable law requires that Franchisor gives notice of expiration to Franchisee prior to the expiration of the Initial Term or any Renewal Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until Franchisor has given to Franchisee that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

3. **Required Franchise Fees and Payments.**

(a) **Initial Franchise Fee and Royalties.** In consideration of Franchisor's execution of this Agreement and the services that Franchisor will perform, Franchisee agrees to pay to Franchisor the following fees in such manner as Franchisor may from time to time designate and on the due dates specified below, in the Franchise Rider, or as otherwise designated by Franchisor (each a "Due Date"):

(i) **Initial Franchise Fee.** An initial franchise fee in the amount set forth on Attachment 1 hereto ("Initial Franchise Fee") for the initial grant of the License and Franchisor's associated pre-opening obligations. The Initial Franchise Fee shall primarily compensate Franchisor for Franchisor's pre-opening obligations. The parties recognize the value of the Initial Franchise Fee approximates the market value of the pre-opening services. The Initial Franchise Fee is non-refundable.

(ii) **Royalty.** In further consideration of the grant of the License and in consideration of Franchisor's ongoing services to Franchisee, Franchisee agrees to pay to Franchisor a continuing royalty fee ("Royalty"), as set forth on Attachment 1 attached hereto. The Royalty is due and payable due on the weekly and shall be calculated based on the Gross Sales of the prior week, or on such other Due Date Franchisor designates with thirty (30) days' advanced written notice to Franchisee.

(iii) **Technology Fee.** On each Due Date, Franchisee may be required to pay Franchisor's then-current fee for the development, implementation, and maintenance of technologies for use at the Franchised Business ("Technology Fee"). Franchisor reserves the right to modify, amend, delete, or add to the technologies, goods, and services provided for the Technology Fee. Franchisor has the right to increase the Technology Fee up to twenty percent (20%) per year with thirty (30) days' notice to Franchisee based on supplier pricing increases, modification to or upgrades of the technology used in the System, and introduction of new technology.

(iv) **Supplier Fees.** If Franchisor or its affiliate is the designated supplier for any required good or service for the Franchised Business (including but not limited to Computer Systems or marketing or website services), Franchisee shall pay Franchisor's or its affiliate's then-current rates for such goods or services. If the good or service is a

Computer System, Franchisor specifically reserves the right to charge Franchisee an up-front license fee and a monthly subscription fee thereafter.

(v) **Shared Fees.** Franchisor reserves the right to have suppliers bill it or an affiliate for goods and services that benefit the system of VIYADA THAI SPA franchisees. Franchisee agrees to pay Franchisor its pro rata share of these goods and services costs and fees.

(b) **Franchisee's Account.** On each Due Date, Franchisee must pay Franchisor the fees set forth above, as well as any other amounts due to Franchisor under this Agreement or any other agreement between Franchisor and Franchisee. Franchisor may instead transfer these amounts due from Franchisee's bank operating account ("Account"). Franchisee's sales report, in the form designated by Franchisor, shall be submitted to Franchisor on or before the Due Date of the Royalty or such other date determined by Franchisor with thirty (30) days' advanced written notice to Franchisee. If a transfer from Franchisee's Account is refused, an administrative fee of Twenty Hundred Fifty Dollars (\$250) will be assessed, as well as reimbursement to Franchisor of any fee its bank charges for uncollected deposit funds. If Franchisee has not reported Gross Sales to Franchisor for any fiscal period, Franchisor may transfer from the Account an amount calculated in accordance with Franchisor's estimate of the Gross Sales during the fiscal period. If, at any time, Franchisor determines that Franchisee has underreported its Gross Sales, or underpaid the Royalty or other amounts due to Franchisor under this Agreement, or any other agreement, Franchisor may initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due. Alternatively, Franchisor shall have the right in lieu of the Royalty report submission procedure outlined above to obtain the Gross Sales directly by accessing Franchisee's Computer Systems or requiring Franchisee to submit reports to Franchisor from Franchisee's Computer Systems.

Franchisor may, but is not obligated to, require Franchisee to remit payment of the Royalty and other fees by electronic funds transfer ("EFT"). In connection with payment of fees by EFT, Franchisee shall: (1) comply with procedures specified by Franchisor in the Brand Standards Manual; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by EFT as described in this Section; (3) give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty and other amounts payable under this Agreement, including any interest charges; (4) make sufficient funds available in the Account for withdrawal by EFT no later than the Due Date for payment thereof; and (5) maintain a single bank account to make all payments required by this Agreement. Franchisee must advise Franchisor at least fifteen (15) business days prior to any change in Franchisee's bank account or financial institution; no such change will be permitted without the prior written authorization of Franchisor. To ensure the orderly electronic transfer of the Royalties and all other fees, Franchisee will enter into and maintain a banking agreement with the financial institution which will be responsible for the transfer and payment of the fees owed by Franchisee to Franchisor, and a copy of that agreement will be submitted to Franchisor prior to the effective date of this Agreement. Franchisee shall not withhold any payments required to be made under this Agreement on any grounds, including any allegations of Franchisor's non-performance.

Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement and may subject this Agreement to termination for cause as hereinafter set forth. If Franchisee is delinquent in the payment of any obligation to Franchisor or its affiliates or designees, then Franchisor (or such affiliates or designees), will have the right to apply any payment from Franchisee to any obligation due, including the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to such application. For the avoidance of doubt, Franchisor has the right to offset the payments owed to or amounts collected on behalf of Franchisee.

(c) **Inflation Adjustments.** Franchisor and its affiliates reserve the right to increase the amount of any flat fee due Franchisor or an affiliate under this Agreement or a related agreement ("Inflation Adjustment"). An Inflation Adjustment shall be in relation to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor, the cost-of-living-adjustment ("COLA") using the COLA factors determined by the United States Department of Labor, or such other measure determined reliable by Franchisor. Franchisor will notify Franchisee of the amount or percentage adjustment thirty (30) days prior to their effective date.

(d) **No Offset or Retention of Funds.** Franchisee may not offset or withhold payments owed to Franchisor or any of its affiliates for amounts purportedly due to Franchisee or its affiliates as a result of any dispute of any nature or otherwise, but will pay such amounts to Franchisor or its affiliates and only thereafter seek reimbursement. Franchisor and its affiliates will have the right to offset any amounts due to Franchisor or its affiliates from amounts that Franchisor or its affiliates may owe Franchisee or its affiliates.

(e) **Interest.** If Franchisee fails to pay the full amount of any fee due to Franchisor under this Agreement on the Due Date of such fee, Franchisee shall pay interest on the amount due and unpaid at an interest rate equal to the lower of ten percent (10%) or the maximum interest rate allowed by law.

4. Franchisor Services.

(a) **Franchisor Services.** During the Initial Term, Franchisor agrees to provide to Franchisee the following services:

(i) **Specifications, Standards, and Approved Suppliers.** To the extent Franchisor has specifications, approved suppliers, or designated suppliers, Franchisor shall provide Franchisee with specifications and/or a list of required or approved suppliers for any required or recommended goods or services to be used in connection with the Franchised Business; provided that Franchisor reserves the right to amend and/or modify such specifications or supplier lists at any time. To the extent Franchisor has standards and specifications for them, Franchisor shall provide Franchisee with standards and specifications for all goods and services to be provided at the Franchised Business.

(ii) **Initial Training Program.** Franchisor shall provide Franchisee with a pre-opening training program for up to two (2) people, including an Owner; provided that Franchisee shall be responsible for all expenses incurred by such persons in connection with training, including, without limitation, all cost of travel, lodging, meals and wages.

Franchisor will provide Franchisee with onsite training at the Franchised Business for six (6) days, which includes two (2) days for training Franchisee's massage therapists in Thai massage techniques.

(iii) **Advice.** At Franchisee's reasonable request, Franchisor will promptly provide such advice and information as it considers reasonably appropriate to assist Franchisee with all methods and procedures associated with the System marketing and advertising; management and administration, the use of the System or any changes to it and the use and application of goods and services. Franchisee understands and agrees that such advice and information may be rendered by phone, video conference, electronically, through the Brand Standards Manual, training and/or by such other means as Franchisor deems appropriate in its sole discretion. Franchisor may, in its discretion, convene meetings of franchisees as it considers necessary or appropriate, in its discretion. If Franchisee requests advice, information, or assistance at a level greater than what is provided to other franchisees, Franchisor reserves the right to charge Franchisee its then-current training fee.

(iv) **Additional Training.** In Franchisor's sole discretion and/or at the request or Franchisee, Franchisor may offer additional or supplemental training, conferences, or conventions. Franchisee shall be responsible for all expenses incurred by such persons in connection with additional or supplemental training, including, without limitation, all cost of travel, lodging, meals and wages. Franchisor also reserve the right to charge an additional fee and to require attendance at additional trainings, conferences, or conventions. Franchisor will train the Lead Therapist of the Franchised Business for no additional charge, but Franchisee must pay for all travel, food, lodging, and miscellaneous expenses associated with the Lead Therapist's attendance.

(v) **Information.** Franchisor shall communicate to Franchisee information relating to the operation of a VIYADA THAI SPA Franchised Business, and to the extent necessary or pertinent to the operation of the Franchised Business, Franchisor's know-how, new developments, techniques and improvements in the areas of Franchised Business management, marketing and service.

(b) **Legal Expenses.** Franchisor may in certain situations incur legal expenses while providing assistance to Franchisee with respect to, without limitation, lease negotiations, or other legal compliance issues. Such assistance may be at the request of Franchisee or required by Franchisor and may be provided by Franchisor in-house or by outside counsel; provided however, that Franchisor shall have the sole discretion as to whether or not to provide legal assistance. In the event Franchisor does incur legal expenses on behalf of Franchisee, Franchisee shall reimburse Franchisor for such expenses immediately upon notice from Franchisor. Franchisor may, at its option, be reimbursed by EFT.

(c) **Acknowledgement.** FRANCHISEE AGREES THAT FRANCHISOR IS NOT OBLIGATED TO PROVIDE ANY TRAINING OR ASSISTANCE TO FRANCHISEE'S PARTICULAR LEVEL OF SATISFACTION, BUT AS A FUNCTION OF FRANCHISOR'S EXPERIENCE, KNOWLEDGE, AND JUDGMENT. FRANCHISEE ALSO ACKNOWLEDGES THAT NEITHER FRANCHISOR NOR ANY OF ITS AFFILIATES ARE OBLIGATED TO PROVIDE ANY SERVICES TO FRANCHISEE THAT ARE NOT SET FORTH IN THIS AGREEMENT. IF FRANCHISEE BELIEVES FRANCHISOR HAS FAILED

TO ADEQUATELY PROVIDE ANY PREOPENING SERVICES TO FRANCHISEE, FRANCHISEE MUST NOTIFY FRANCHISOR IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF FRANCHISEE'S FRANCHISED BUSINESS OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING SERVICES REQUIRED TO BE PROVIDED BY FRANCHISOR WERE SUFFICIENT AND SATISFACTORY IN FRANCHISEE'S JUDGMENT, AND COMPLIANT WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FRANCHISOR, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FRANCHISOR'S OBLIGATIONS TO PROVIDE PRE-OPENING ASSISTANCE.

5. Territorial Provisions.

(a) Territory. Subject to the provisions of this Section 5, provided Franchisee is in compliance with its obligations under this Agreement, and provided further that Franchisee is not operating from a Captive Location, Franchisor agrees that during the Initial Term it will not locate nor license another to locate another brick and mortar massage therapy spa operating under the Marks and the System within the territory set forth in the Franchise Rider ("Territory"). Until such time as the Location is identified and agreed upon in the Franchise Rider or in the Site Selection Acceptance Letter (as defined in the Franchise Rider), no Territory will be granted to Franchisee and Franchisor shall have the right to locate other franchises anywhere Franchisor determines without interfering with any territorial rights of Franchisee. Franchisee recognizes and acknowledges that (i) it will compete with other VIYADA THAI SPA businesses which are now, or which may in the future be, located near or adjacent to Franchisee's Territory and (ii) that such businesses may be owned by Franchisor, its affiliates, and/or third parties.

(b) Reservation of Rights. All rights that are not granted to Franchisee in this Agreement are specifically reserved to Franchisor, and Franchisor will not be restricted in any manner from exercising them nor will Franchisor be required to compensate Franchisee should Franchisor exercise them. This includes the right, directly or through others and regardless of either (a) proximity to Franchisee's Franchised Business or Territory or (b) any actual or threatened impact on sales of Franchisee's Franchised Business to:

(i) use the Marks and System in connection with establishing and operating VIYADA THAI SPA businesses at any location outside the Territory;

(ii) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise, goods, and products) or services anywhere in the world (including within the Territory), whether or not Franchisee also offers them, through channels of distribution other than a brick-and-mortar VIYADA THAI SPA-branded massage therapy spa (including, for example, retail stores, at customer locations, mobile services, catalogs, mail order, telemarketing, mobile application, or the Internet or other electronic means);

(iii) acquire, be acquired by, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory);

(iv) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory).

(c) **Alternate Channels of Distribution.** Franchisee may offer and sell approved goods and services only at and from the Franchised Business, except as Franchisor otherwise approves in advance, and in such event only in accordance with the requirements of this Agreement and the procedures set forth in the Brand Standards Manual, which approval Franchisor may revoke at any time for any reason. Without receiving Franchisor's prior approval, Franchisee shall not use any other channel of distribution, including, for example, retail stores, at customer locations, mobile services, catalogs, mail order, telemarketing, mobile application, or the Internet or other electronic means. All activities off-Premises or out-of-Territory must be conducted in accordance with, and be at locations that are in compliance with, Franchisor's brand standards and Franchisor may revoke Franchisee's right to conduct off-Premises or out-of-Territory activities if Franchisee does not comply with the brand standards. Franchisee may not offer or sell goods through any other means or locations without Franchisor's prior approval. Unless Franchisee obtains Franchisor's prior written permission, Franchisee shall only offer or sell goods and services to retail customers for their use and consumption and not for resale. Franchisee shall follow all of Franchisor's standards, procedures, and instructions regarding any activities outside of the Territory or off-Premises activities. If Franchisor grants Franchisee permission to conduct any off-Premises or out-of-Territory activity, Franchisee acknowledges and agrees that Franchisee does not gain any additional territory or exclusivity rights. Franchisor has the right to terminate or suspend Franchisee's approval to conduct any off-Premises or out-of-Territory activity, and Franchisee shall immediately comply. Franchisee shall provide Franchisor with the information for any customers it has serviced outside of the Territory or off-Premises. Such off-Premises or out-of-Territory customers may be serviced by Franchisor, an affiliate of Franchisor, or any of Franchisor's franchisees. Franchisor reserves the right to control all e-commerce, online, and internet sales.

(d) **Soliciting and Marketing.** Franchisee shall not advertise, market, or solicit outside of the Territory, except as Franchisor otherwise approves in advance, and in such event only in accordance with the requirements of this Agreement and the procedures set forth in the Brand Standards Manual, which approval Franchisor may at any time for any reason. Franchisor does not warrant or represent that no other VIYADA THAI SPA business will solicit or make any sales within the Territory, and Franchisee hereby expressly acknowledges and agrees that such solicitations or sales could occur within the Territory. Franchisor shall have no duty to protect Franchisee from any such sales, solicitations, or attempted sales.

(e) **No Right of First Refusal or Options.** Franchisee has no right of first refusal or other options or rights to open any additional VIYADA THAI SPA businesses.

(f) **Captive Locations.** Notwithstanding anything in this Agreement to the contrary, if the Location is at a venue with a captive audience, such as a hotel, enclosed mall, airport, university, or military base ("Captive Location"), Franchisee will receive no Territory and Franchisor and its affiliates may locate a VIYADA THAI SPA businesses anywhere near the Location, without restriction.

6. Premises.

(a) **Premises.** Franchisee shall obtain Franchisor's acceptance of the Location. Within three (3) months after the Effective Date of this Agreement, Franchisee shall acquire or lease, at Franchisee's expense, commercial real estate that is properly zoned for the operation of the Franchised Business. Failure by Franchisee to acquire or lease a site for the Franchised Business within the time required herein shall constitute a default under this Agreement, and Franchisor, in its sole discretion, may terminate the Franchise Agreement pursuant to the terms of Section 17 of this Agreement. FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S ACCEPTANCE OF A SITE FOR FRANCHISEE'S FRANCHISED BUSINESS IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE BUSINESS WILL BE PROFITABLE. If Franchisor does not accept a site proposed by Franchisee within thirty (30) days after receiving the proposal thereof, such site shall be deemed rejected by Franchisor and Franchisee shall not locate its Franchised Business at such site. The building at the accepted Location that will serve as the headquarters for the Franchised Business ("Premises") is subject to the following:

(i) **Leased Premises.** Franchisee shall obtain Franchisor's acceptance of the lease. If Franchisee intends to lease the Premises, Franchisee shall submit to Franchisor executed copies of all such leases immediately after execution and at such other times as Franchisor may request. The term of the leases plus all options for Franchisee to renew shall together equal or exceed the Initial Term, First Renewal Term, and Second Renewal Term. All leases pertaining to the Premises shall also include an Addendum in the form of Attachment 2 attached hereto, or shall contain terms and conditions substantially similar to those contained in Attachment 2 which Franchisor has accepted in writing. Franchisor shall not represent Franchisee in a legal capacity and advises Franchisee to seek independent legal counsel in the review and negotiation of its lease agreement.

(ii) **Owned Premises.** If Franchisee intends to own the Premises, Franchisee must obtain acceptance of the Premises from Franchisor, which acceptance may be withheld at Franchisor's discretion, and shall furnish Franchisor proof of ownership prior to the date Franchisee commences any construction, build-out or remodeling of the Premises. In the event that Franchisee proposes to lease the Premises from any Owner, affiliate, guarantor, shareholder, member, manager, partner, director, officer or other principal of Franchisee, or from any person or entity related to or affiliated with Franchisee or one (1) or more of Franchisee's Owners, affiliates, shareholders, members, guarantors, partners, directors, officers or other principals ("Related Party"), Franchisor may require the Related Party to sign this Agreement and/or separate agreements for the purpose of binding the Related Party to applicable provisions of this Agreement, as determined by Franchisor. Franchisee shall also execute a written lease agreement accepted by Franchisor with the Related Party and deliver a copy to Franchisor. Any such lease shall comply with the terms of Section 6(a)(i) above.

(iii) **Suitability of Premises.** Regardless of whether the Premises are owned or leased, it shall be the responsibility of Franchisee to determine that the Premises can be used, under all applicable laws and ordinances, for the purposes provided herein and that the Premises can be constructed or remodeled in accordance with the terms of this Agreement. Franchisee shall obtain all permits and licenses that may be required to

construct, remodel and operate the Franchised Business. Franchisee agrees that the Premises will not be used for any purpose other than the operation of the Franchised Business in compliance with this Agreement.

(b) **Relocation.** Franchisee shall not, without first obtaining Franchisor's written consent, which is subject to Franchisor's sole discretion: (i) relocate the Franchised Business; or (ii) renew or materially alter, amend or modify any lease, or make or allow any transfer, sublease or assignment of its rights pertaining to the Premises. If Franchisee relocates the Premises Franchisee shall pay Franchisor a fee equal to fifty percent (50%) of the then-current initial franchise fee. Except in cases of emergency, the new Premises must be occupied and open prior to vacating the old Premises.

(c) **Acknowledgement.** Franchisee hereby acknowledges and agrees that Franchisor's acceptance of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Franchisor's acceptance of a site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's acceptance of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site accepted Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

7. Proprietary System and Marks.

(a) **Ownership; Use by Others.** Franchisor and its affiliates shall have and retain all rights associated with the Marks other than those expressly licensed herein. Franchisee acknowledges that any unauthorized use of the System or the Marks is and shall be deemed an infringement of Franchisor's rights. Franchisee shall execute any documents deemed necessary by Franchisor, its affiliates, or their counsel for the protection of the System and the Marks or to maintain their validity or enforceability, or to aid Franchisor or its affiliates in acquiring rights in or in registering any of the System and the Marks or any trademarks, trade names, service marks, slogans, logos and emblems subsequently adopted by Franchisor. Franchisee shall give notice to Franchisor of any knowledge that Franchisee acquires regarding the use by others of the same or similar names or marks or of any claim or litigation instituted by any person or legal entity against Franchisee involving the System or any of the Marks. Franchisee shall cooperate with Franchisor and its affiliates in any suit, claim or proceeding involving the System or the Marks or their use to protect Franchisor's and its affiliates' rights and interest in the System and the Marks. In the event of any settlement, award or judgment rendered in favor of Franchisor or its affiliates relating to the use or ownership of the System or the Marks, such settlement, award or judgment shall be the sole property of Franchisor, and Franchisee shall not be entitled to or make any claim for all or any part of it. Franchisor shall not be required to indemnify Franchisee against or reimburse Franchisee for any loss or damages arising out of Franchisee's use or misuse of any Mark or

Franchisor's copyrights, patents, Customer Lists, Franchised Business Data, Confidential Information, Inventions and Ideas, or other proprietary information. Franchisee acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Franchisee or enter into this Agreement without receiving Franchisee's unrestricted promise to use the Marks only in a the manner authorized by Franchisor.

(b) Use of Marks. During the Initial Term or any time thereafter, directly or indirectly, Franchisee shall not commit any act of infringement or contest or aid in contesting the validity or ownership of the System or the Marks, or take any other action to disparage them. Franchisee shall use the Marks only in connection with the operation of the Franchised Business at the Location specified herein, and shall use them only in the manner authorized by Franchisor. Franchisee shall prominently display the Marks in the manner prescribed by Franchisor on all signs, customer materials, computer systems, and other supplies and packaging materials designated by Franchisor. Franchisee shall not fail to perform any act required under this Agreement, or commit any act which would impair the value of the Marks or the goodwill associated with the Marks. Franchisee shall not at any time engage in any business or market any goods or service under any name or mark which is confusingly or deceptively similar to any of the Marks. Franchisee shall not use any of the Marks as part of its corporate or trade name and shall not use any trademark, trade name, service mark, logo, slogan or emblem in connection with the Franchised Business that has not been authorized by Franchisor. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or applicable state law. Franchisee shall not attempt to register or otherwise obtain any interest in any Online Presence containing or utilizing any of the Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Marks. Franchisee also acknowledges that its use of the Marks pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Marks, except the license granted by this Agreement. Franchisee shall not use any of Franchisor's Marks in connection with employee facing labor and employment materials. Likewise, Franchisee agrees that if it receives permission from Franchisor to use the trademarks or service marks of another party, Franchisee shall comply with the terms of use that Franchisor establishes.

(c) Designation as Franchisee. Franchisee shall hold itself out to the public as an independent contractor and clearly identify itself in all dealings with third parties as a franchised, independently owned and operated entity. Franchisee shall take such additional action as may be necessary under the laws of the state in which the Franchised Business is operated to make clear to the public that Franchisee is an independent franchisee of Franchisor and not owned by Franchisor. Franchisee shall post in a conspicuous location at the business premises, as well as on invoices, stationery, contracts, membership agreements, receipts, purchase orders, marketing materials, employment materials, Online Presences, and the like that "This VIYADA THAI SPA franchise is independently owned and operated by [name of franchisee entity] under license from Viyada Franchise Group Inc."

(d) Discontinuance of Use: Additional Marks. Franchisor has the right to change, revise, or substitute different Marks for use in identifying the System, the Franchised Business, and the goods and services sold or offered for sale through the Franchised Business, if Franchisor, in its sole discretion, determines that change, revision, or substitution of different Marks will be

beneficial to the System. In such circumstances, the use of the substitute proprietary marks shall be governed by the terms of this Agreement. Franchisee shall comply with each such change, revision, or substitution and bear all expenses associated therewith. If a court of competent jurisdiction should order, or if Franchisor in its sole discretion should deem it necessary or advisable, Franchisee shall modify or discontinue use of any Mark. Franchisee shall comply with Franchisor's directions regarding any such Mark within thirty (30) days after receipt of notice from Franchisor or, if such modification or discontinuance is court-ordered, immediately. Franchisor shall not be obligated to compensate Franchisee for any costs or expenses incurred by Franchisee in connection with any such modification or discontinuance. Franchisee shall also use such additional or substitute Marks as Franchisor shall direct.

(e) **Changes in Law Affecting Marks.** In the event that the trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall sign any documents and do such other act and thing as in the opinion of Franchisor may be necessary to effect the intent and purpose of the provisions of this Agreement.

(f) **Copyrights and Patents.** Franchisee acknowledges that as between Franchisee and Franchisor, any and all present or future copyrights and patents relating to the System or the VIYADA THAI SPA concept, including, but not limited to, training materials, copyrights, formulas, electronic code, software, the Brand Standards Manual, construction plans and specifications and marketing materials, belong solely and exclusively to Franchisor. Franchisee has no interest in Franchisor's copyrights or patents beyond the nonexclusive License granted in this Agreement.

(g) **Ideas and Innovations.** All proprietary massage techniques and goods, concepts, inventions, designs, ideas, applications, trademarks, service marks, enhancements, modifications, improvements or other processes, methods and designs, technologies, techniques, materials, computer software, electronic code, original works or authorship, formulas, patents, copyrights, marketing and business plans and ideas, and all improvements and enhancements thereto that Franchisee or any of its Owners, guarantors, shareholders, members, partners, directors, officers, or employees any personal guarantors may develop, invent, discover, conceive or originate, alone or in conjunction with any other person or persons during the Initial Term, the First Renewal Term, or Second Renewal Term that relate in any way, either directly or indirectly, to the Franchised Business and/or the System (collectively referred to as "Inventions and Ideas"), either in whole or in part, shall be the exclusive property of Franchisor. Franchisee must promptly disclose the existence of any and all Inventions and Ideas to Franchisor. To the extent any Invention or Idea does not qualify as a "work made for hire" for Franchisor, Franchisee and all guarantors of this Agreement hereby assign to Franchisor, without compensation, all right, title and interest in such Inventions and Ideas, and agree that they will execute any and all instruments and do any and all acts necessary or desirable to establish and perfect in Franchisor the entire right, title and interest in such Inventions and Ideas. Franchisor may incorporate such Inventions or Ideas into the System. As Franchisor may reasonably request, Franchisee shall, at Franchisor's expense, take all actions reasonably necessary to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

(h) **Customer and Other Data.** Franchisee shall maintain a current list of the names, home addresses, work addresses, membership history, purchase history, e-mail addresses and telephone numbers of the customers and past customers who have provided such information to

the Franchised Business ("Customer List"). Franchisee shall provide the Customer List to Franchisor upon request. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Customer List. The Customer List shall be the property of Franchisor and Franchisor shall have the right to use the Customer List for any purposes, in Franchisor's sole discretion. Franchisee shall not collect, use, process, store, share, or sell any information from the Customer List to or with any person or entity other than Franchisor without the express written consent of Franchisor. Franchisee shall not delete any information that is in the Customer List without Franchisor's prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by Franchisee or Franchisee's Computer Systems in connection with the Franchised Business (Customer List and the other data collectively referred to herein as "Franchised Business Data") is deemed to be owned by Franchisor, and Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Franchised Business Data. Franchisor hereby grants Franchisee a limited license to use Franchised Business Data while this Agreement or a renewal franchise agreement is in effect, but only in accordance with the standards, specifications, procedures, and policies that Franchisor establishes periodically and applicable law. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, Franchisor shall be the exclusive owner of Franchised Business Data and Franchisee shall not use or disclose the Franchised Business Data in any form or manner. Franchisee shall not be due any compensation based upon Franchisor's use of the Franchised Business Data. Franchisee may not collect, sell, disclose, share, transfer, or use Franchised Business Data for any purpose other than operating the Franchised Business. The Customer List and Franchised Business Data are expressly subject to the provisions of Section 11(w) and may constitute Personal Information.

8. Advertising.

(a) **Contributions and Expenditures.** Recognizing the value of advertising and the importance of the standardization of advertising to the furtherance of the goodwill and public image of the System, Franchisor and Franchisee agree as follows:

(i) **Grand Opening Advertising and Marketing.** Franchisor can require Franchisee to spend at least Five Thousand Dollars (\$5,000) and up to Ten Thousand Dollars (\$10,000) for grand-opening advertising and marketing to publicize the existence and opening of the Franchised Business, which advertising shall be in such form designated by Franchisor and which shall be conducted before opening or during the first three (3) months of operations of the Franchised Business. Franchisee may expend additional amounts on such advertising, provided the form and content is approved by Franchisor as provided in Section 8(e). Franchisor reserves the right to require Franchisee to remit the spend to Franchisor who will spend it on Franchisee's behalf. Franchisee shall submit verification of its grand opening expenditures at such times and in such form as may be requested by Franchisor from time to time.

(ii) **Brand Fund.** Franchisee shall contribute to the brand fund ("Brand Fund") such amount as Franchisor may designate from time to time, up to two percent (2%) of the Gross Sales of the Franchised Business. Franchisor has the sole discretion to settle or forgive any accrued and unpaid Brand Fund contribution owed by any franchisee. Franchisee shall make its contribution to the Brand Fund on the date and in the manner as

Franchisor may designate from time to time. Franchisee agrees to make such contributions by EFT or in such other manner as Franchisor may require, weekly on or before each Due Date based on Franchisee's Gross Sales from the weeks, or such other date(s) identified by Franchisor with thirty (30) days' prior written notice.

(iii) **Minimum Local Advertising and Marketing.** In addition to the grand opening requirements of Section 8(a)(i), Franchisee shall spend at least the greater of One Thousand Dollars or one percent (1%) of Gross Sales per month ("Minimum Local Advertising Spend") on local advertising and marketing in accordance with Franchisor's standards as set forth in the Brand Standards Manual. Franchisor has the right to raise the One Thousand Dollar (\$1,000) minimum by up to ten percent (10%) per year. Franchisee shall submit verification of its local advertising and marketing expenditures at such times and in such form as may be requested by Franchisor from time to time. In the event that Franchisee fails to meet the Minimum Local Advertising Spend and/or fails to provide Franchisor with verification thereof, Franchisee shall pay to the Brand Fund Franchisee's Minimum Local Advertising Spend, less the amount Franchisee actually paid for local advertising and marketing. Franchisor has the right to require Franchisee to use the Minimum Local Advertising Spend to pay for specific advertising and marketing services, from suppliers approved or designated by Franchisor. Franchisor may require Franchisee to remit the Minimum Local Advertising Spend to Franchisor or its affiliates in exchange for local advertising and marketing services Franchisor or its affiliate will provide to Franchisee.

(b) **Brand Fund.**

(i) **Use.** Franchisor has the sole discretion to determine where the Brand Fund contributions will be spent to promote, enhance, or further the growth of the VIYADA THAI SPA brand, businesses, and System, including, but not limited to: developing and facilitating technologies for Franchisee to use in the operations of the Franchised Business; research; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies, or paying the salaries of in-house personnel to assist in developing VIYADA THAI SPA brand name; developing, evaluating, or using technologies that Franchisor believes may benefit the brand, the customers, franchisees, or brand's reputation; developing new supplier relationships, franchisee revenue sources, and good lines; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; developing one or more Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand. Sums paid by Franchisee shall not be used to defray any of Franchisor's expenses, except for such reasonable administrative costs and overhead, if any, that Franchisor may incur in activities reasonably related to the

administration or direction of the Brand Fund and promotion and advertising programs for franchisees and the System, including, among other things, the cost of personnel for creating and implementing the programs paid for by the Brand Fund.

(ii) **Administration.** The Brand Fund is not and shall not be an asset of Franchisor or its designee. The Brand Fund is administered by Franchisor's personnel under Franchisor's direction. The Brand Fund is not audited. Unless required by state law, Franchisor has no obligation to provide Franchisee with an accounting of the Brand Fund expenditures. At Franchisor's option, Franchisor can create a separate entity to be the recipient of Franchisee's Brand Fund contributions and Franchisee agrees, upon Franchisor's request, to tender Brand Fund payments to said entity. Franchisor, in Franchisor's sole discretion, may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year, and the Brand Fund may borrow from Franchisor or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus. Franchisee acknowledges that other franchisees may not be required to contribute to the Brand Fund or may be required to contribute at a different rate. Franchisor is not obligated to maintain the Brand Fund contributions or income earned in a separate account from other Franchisor funds.

(iii) **No Proportionality.** Franchisee agrees and acknowledges that that Franchisor does not undertake any obligation to ensure that expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Fund by franchisees operating in such geographic area or that Franchisee or the Franchised Business will benefit directly or in proportion to its contribution to the Brand Fund.

(iv) **Liability.** Neither Franchisor and its affiliates nor any of its respective officers, directors, agents or employees, shall be liable to Franchisee with respect to the maintenance, direction or administration of the Brand Fund, including without limitation, with respect to contributions, expenditures, investments or borrowing, except for acts constituting willful misconduct. THE BRAND FUND IS NOT A TRUST FUND. FRANCHISOR AND ITS AFFILIATES SHALL HAVE NO FIDUCIARY DUTY TO FRANCHISEE IN CONNECTION WITH THE COLLECTION OR USE OF THE BRAND FUND MONIES OR ANY ASPECT OF THE OPERATION OF THE BRAND FUND. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS AFFILIATES WILL HAVE NO LIABILITY TO FRANCHISEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED TO THE BRAND FUND, GOODS OR SERVICES PROVIDED THROUGH THE BRAND FUND, OR ANY ADVERTISING PROGRAMS OR FRANCHISOR'S MODIFICATION OR DISCONTINUANCE FOR ANY REASON OF THE BRAND FUND OR ANY MARKETING, BRANDING, OR ADVERTISING PROGRAMS, OR FRANCHISEE'S PARTICIPATION THEREIN.

(c) **Local Cooperative Advertising.** Franchisee agrees that Franchisor shall have the right, in its sole discretion, to designate from time to time a geographical area in which the Franchised Business is located for the purpose of establishing an advertising cooperative ("Cooperative"). If a Cooperative has been established applicable to the Franchised Business at

the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time during the Initial Term, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. In no event shall the Franchised Business be required to contribute to more than one (1) Cooperative. Franchisor has the sole discretion to create, change, dissolve, or merge a Cooperative. Franchisor also has the sole discretion to determine membership of a Cooperative. The following provisions shall apply to each Cooperative: (i) Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, approved in advance by Franchisor in writing. The Cooperative may determine its own voting procedures, subject to Franchisor's approval; (ii) Each Cooperative shall be organized for the purposes of producing and conducting general advertising programs and activities for use in and around the applicable geographic area and developing standardized promotional materials for use by the members; (iii) Franchisor and its affiliates shall make contributions to each Cooperative of which they are a member on the same basis as required of comparable franchisees within the Chain; (iv) No advertising programs or materials may be used by the Cooperative or furnished to its members, and no advertising or promotional activities may be conducted by the Cooperative, without the prior written approval of Franchisor; all such programs, materials and planned activities shall be submitted to Franchisor for approval in accordance with the procedure set forth in Section 8(e); (v) Each cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the governing body of the Cooperative; however, the maximum fee that can be required is two percent (2%) of Gross Sales per month; (vi) Franchisee shall make its contributions to the Cooperative on the date and in the manner designated by the Cooperative and also submit such statements and reports as may be designated from time to time by the Cooperative; the Cooperative shall submit to Franchisor such statements and reports as Franchisor may designate from time to time. The Cooperative shall prepare written governing documents that shall be available to Franchisee for review. The Cooperative must prepare quarterly and annual financial statements and these statements must be made available to all franchisees in the Cooperative. (vii) Notwithstanding the foregoing, Franchisor, in its sole discretion, may, upon written request of a franchisee stating reasons supporting such request, grant to any franchisee an exemption from the requirement of membership in a Cooperative. Such an exemption may be for any length of time and may apply to one (1) or more businesses owned by such franchisee. If an exemption is granted to a franchisee, such franchisee may be required to expend on local advertising the full amount that would otherwise be payable to the Cooperative. Franchisor, in its sole discretion, may also exempt one (1) or more businesses owned or controlled by Franchisor or its affiliate from the requirement of membership in a Cooperative for such periods as Franchisor deems appropriate; and (viii) The Cooperative is not a trust fund; Franchisor shall have no fiduciary duty to Franchisee in connection with the collection or use of the Cooperative monies or any aspect of the operation of any Cooperative. In Franchisor's discretion, Franchisor may require Franchisee to contribute to the Cooperative up to fifty percent (50%) of the Minimum Local Advertising Spend, which will count toward Franchisee's Minimum Local Advertising Spend.

(d) Supplemental Advertising. Franchisee shall have the right to conduct, at its separate expense, supplemental advertising in addition to the expenditures specified in this Section 8. All such supplemental advertising shall either have been prepared by Franchisor or approved by Franchisor pursuant to Section 8(e).

(e) **Approval by Franchisor.** Any and all advertising and promotional materials Franchisee uses must be approved by Franchisor. Prior to their use by the Cooperative or by Franchisee, all advertising and promotional materials not prepared or previously approved by Franchisor within the ninety (90) day period preceding their intended use shall be submitted to Franchisor for approval. If approval is not received within twenty (20) days from the date of receipt by Franchisor of such materials, the materials shall be deemed disapproved by Franchisor. Franchisor may disapprove of any advertising or promotional materials at any time. Neither the Cooperative nor Franchisee shall use any disapproved advertising or promotional materials regardless of whether any such items had been previously approved by Franchisor. All advertising by Franchisee should comply with law and should not make any unwarranted or exaggerated claims regarding the Franchised Business.

(f) **Franchisor Advertising.** Franchisor may from time to time expend its own funds to produce such promotional materials and conduct such advertising as it deems necessary or desirable. In any advertising conducted solely by or for Franchisor, Franchisor shall have the sole discretion to determine the goods and geographical markets to be included, and the medium employed and Franchisor shall not have any duty or obligation to supply Franchisee with any advertising or promotional materials produced by or for Franchisor at its sole expense. Franchisor may, from time to time, provide Franchisee with such approved advertising and promotional plans and materials as Franchisor deems advisable. Franchisor disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty regarding the success of any advertising and/or promotional plans or materials recommended by Franchisor for use by Franchisee. Further, Franchisee acknowledges and agrees that all advertising and promotional plans and materials created in whole or in part by Franchisor are and remain the exclusive property of Franchisor. Franchisor shall have the right to include promotion of available franchises in all marketing and advertising materials, including, but not limited to, signage in the Franchised Business, an Online Presence, print media, and TV or radio spots.

(g) **Ownership of Advertising.** Franchisor shall be the sole and exclusive owner of all materials and rights which result from advertising and marketing program produced and conducted, whether by Franchisee, Franchisor, the Cooperative or the Brand Fund. Any participation by Franchisee in any advertising, whether by monetary contribution or otherwise, shall not vest Franchisee with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including, copyrights, generated by such advertising. If requested by Franchisor, Franchisee shall assign to Franchisor any contractual rights or copyright it acquires in any advertising.

(h) **Online Presence and Email Address.** Franchisee will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to the Franchisor, System or Franchisee's Franchised Business without Franchisor's written consent, which Franchisor is not obligated to provide. An "Online Presence" includes (1) a website, other webpages, URLs, or domain names, (2) accounts, pages, or profiles on social media sites, social networking sites, news sites and groups, online, internet, or digital directories, video, audio, photography, and messaging services, blogs, or forums, (3) e-commerce sites or accounts, (4) digital or online advertising and marketing content and services, (5) mobile applications, (6) virtual reality platforms, (7) identifiers of any Online Presence, or (8) a presence on any other type of online, internet, or digital tool, good, or service that may be developed. Further, the Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email

address, unless specifically approved by Franchisor, which approval Franchisor is not obligated to provide. For any Online Presence (and all URLs and other identifiers related to any Online Presence) Franchisee is approved to create or use, Franchisor reserves the right, at its sole option and discretion, to have the Online Presence or email address directly owned by Franchisor or to require any such Online Presence be transferred to Franchisor upon the termination, expiration, or non-renewal of this Agreement for any reason. Franchisor has the right to require that any Online Presence Franchisee is permitted to create, use, or maintain be registered in Franchisor's name. Upon request, Franchisee must provide Franchisor with any login credentials for any Online Presence or email address Franchisee is authorized to create, use, or maintain. Franchisor has the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of Franchisor's policies and Franchisor may take ownership of any Online Presence upon expiration, non-renewal, transfer, or termination of this Agreement and operate it in Franchisor's sole discretion. Franchisee will not post, and will take such steps as necessary to ensure that its employees do not post, any information to an Online Presence relating to the Franchisor, System, Marks, or Franchised Business that (a) does not comply with Franchisor's then-current brand, social media, or Online Presence guidelines described in the Brand Standards Manual, (b) is derogatory, disparaging, or critical of Franchisor, the System or the Marks, (c) is offensive, inflammatory or indecent, or (d) harms the goodwill and/or public image of the System and/or the Marks. Franchisee shall not establish or permit or aid anyone else to establish any links to any Online Presence which Franchisor may create. Franchisee specifically acknowledges and agrees that any Online Presence will be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under this Agreement. Franchisor alone has the right, but not the obligation, to establish, maintain, modify or discontinue all internet and electronic commerce activities pertaining to the System, including through any Online Presence. Franchisor shall not be liable for downtime that may occur to any such Online Presence or email address, whether such downtime is caused by Franchisor or a third-party. Franchisor alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Franchisor for use on an Online Presence. Ownership of all URLs and other identifiers with any such Online Presence shall vest exclusively in Franchisor. Franchisor shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe Franchisee and/or the Franchised Business, with such webpage(s) or Online Presence to be located within Franchisor's website or another Online Presence. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web page(s) and any other Online Presence; and Franchisor shall have the right to refuse to post and/or discontinue posing any content and/or the operation of any webpage or Online Presence. Franchisee shall not establish a separate website or Online Presence or business email address, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish an Online Presence or email address, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such Online Presence. Franchisor shall have the right to modify the provisions of this Section 8(h) relating to any Online Presence as Franchisor shall solely determine is necessary or appropriate. Franchisee shall not use the Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any Online Presence or email address of Franchisee, except as permitted by Franchisor's then-current policies. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent as to Franchisee's plan for transmitting such advertisements.

(i) **Directory Advertising.** Franchisee shall arrange for the listing of the Franchised Business's telephone number and email address in any print or online directory designated by Franchisor under the name "VIYADA THAI SPA" or such other name as Franchisor may designate. All advertising and promotion in such media (beyond a simple listing of name, address, and telephone number) shall be subject to Franchisor's approval. Franchisee's rights to use and benefit from its assigned telephone number, email address, and directory listings are subject to the provisions of Section 18 of this Agreement.

9. Telephone Number. Franchisee shall establish a local telephone number for the Franchised Business. Franchisee shall keep Franchisor notified as to the current telephone number for the Franchised Business. In no event shall Franchisee use such number for any other business. If Franchisee or its Owners use personal cellphone numbers in connection with the operation of the Franchised Business, Franchisee shall also disclose those to Franchisor. Franchisee further covenants that in the event it obtains any additional or substitute telephone service or telephone number at the Franchised Business, it will promptly notify Franchisor and such additional or substitute number shall be subject to the terms of this Section 9. If Franchisee's Owners or employees use personal cellphone numbers in connection with the operations of the Franchised Business, Franchisor has the right to require them to assign the numbers to Franchisor.

10. Construction, Design and Appearance, Equipment.

(a) **Construction.** Franchisee agrees that it will construct or remodel the Premises at the accepted Location in accordance with Franchisor's standards and specifications for the construction, remodeling, layout, design, and décor for VIYADA THAI SPA businesses ("Construction Standards"). Franchisee shall purchase or lease the equipment, fixtures, and furnishings that conform with Franchisor's Construction Standards. Franchisee is solely responsible for the construction of the Premises. Franchisee shall obtain Franchisor's acceptance of Franchisee's proposed plans for construction, remodeling, layout, design, and décor for the Franchised Business. Franchisee will commence any required construction promptly after execution of a lease for or closing on the purchase of the Premises. Franchisee shall maintain continuous construction of the Premises until completion. Franchisee will complete construction in accordance with the plans for the Franchised Business Franchisor has accepted. Except as may be required to have the accepted plans changed to comply with the Applicable Law, Franchisee shall not deviate from the accepted plans without the prior approval of Franchisor. Franchisor has no obligation to include the requirements of any Applicable Law in the Construction Standards. Franchisee also acknowledges that the requirements of the Construction Standards may exceed those required under the Applicable Law. "Applicable Law" means any law, rule, regulation, code or requirement applicable to the construction, remodeling, design, layout, building, permitting, and development of the Franchised Business, including, without limitation the Americans With Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. It is solely Franchisee's responsibility to make sure that the design and construction of the Franchised Business and the Premises are in compliance with all Applicable Laws. Franchisee Indemnifying Parties shall indemnify and hold Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Premises fail in any way to comply with any Applicable Laws. Franchisor has the right to require Franchisee to use an approved architect, general contractor, construction manager, or other supplier of design, engineering, construction, and related services. Franchisee agrees provide to Franchisor

construction progress updates in a form approved by Franchisor at the intervals designated by Franchisor.

(b) **Signs.** Franchisee shall prominently display, at its own expense, both on the interior and exterior of the Premises, advertising signs in such form, color, number, location and size, and containing such Marks, logos and designs as Franchisor shall designate. Franchisee will be responsible for ordering any required signage, including an exterior signage for the Franchised Business. Franchisee shall obtain all permits and licenses required for such signs and shall also be responsible for ensuring that all signs comply with all laws and ordinances. Franchisee shall not display in or upon the premises any sign or advertising of any kind to which Franchisor objects.

(c) **Remodeling and Re-equipping.** Franchisor reserves the right to require Franchisee to generally refurbish and update the Franchised Business and/or the Premises at Franchisee's expense, in order to conform to the building design, trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for VIYADA THAI SPA franchises, which include, without limitation, purchasing new inventory and goods, structural changes, installation of new materials, equipment, technology, and Computer Systems, remodeling, redecoration, changing color schemes, and modifications and/or repairs to existing improvements. Such remodeling and re-equipping may include, without limitation, replacing worn out, obsolete, or dated equipment, technology, and Computer Systems, fixtures, furnishings and signs; structural modifications, redecorating; or purchasing more efficient or improved equipment. Franchisor may require Franchisee to perform remodeling and to purchase equipment at such times as Franchisor, in its sole discretion, deems necessary and reasonable. FRANCHISEE ACKNOWLEDGES THAT EQUIPMENT, ALTERATIONS AND RENOVATIONS REQUIRED BY FRANCHISOR MAY INVOLVE SUBSTANTIAL ADDITIONAL INVESTMENT BY FRANCHISEE DURING THE INITIAL TERM OF THIS AGREEMENT. In the event of Franchisee's delay, refusal, or failure to make repairs or modifications to the Premises as specified by this Section, Franchisor or its agents may enter the Premises, without further notice and without liability for trespass or other tort and with Franchisee's complete cooperation, and remove, repair, and/or replace, at Franchisee's expense, any items which do not conform to Franchisor's then-current standards and specifications or which are not in conformity with Franchisee's obligation to maintain the Franchised Business and the Premises in the highest degree of repair and condition. In addition to any and all other remedies that Franchisor may have in law or in equity, Franchisee shall reimburse Franchisor for all out-of-pocket expenses incurred by Franchisor in connection with any refurbishing work performed by Franchisor pursuant to this Section, plus an administrative fee of fifteen percent (15%) of the total aggregate amount of expenses incurred by Franchisor. All equipment and supplies used in the Franchised Business shall comply with Franchisor's requirements for the supplier and specifications. Franchisee shall not use equipment and supplies that do not meet or exceed Franchisor's standards. These remodeling and refurbishing obligations are in addition to Franchisee's general responsibility to maintain the condition and appearance of the Premises consistent with Franchisor's then-current standards. Franchisee must keep the Premises, including all of its fixtures, furnishings, equipment, materials, and supplies, in the highest degree of cleanliness, orderliness, and repair, as determined by Franchisor.

11. Operations, Standards of Quality, Inspections.

(a) Operations Manager and Operating Principal

(i) Operations Manager. Franchisee shall designate an individual to serve as the “Operations Manager” for the Franchised Business, which may be an Owner of Franchisee or an employee. The Operations Manager shall meet the following qualifications:

(1) Management Responsibility. The Operations Manager shall devote full time and best efforts to the management, supervision, and conduct of the development and operation of the Franchised Business in order to ensure compliance with this Agreement and to maintain Franchisor’s high standards. Management responsibility shall include, without limitation, maintaining the highest standards of goods, service, safety, sanitation, good quality and consistency and supervising employees to ensure that the highest standard of goods and services are provided and to ensure that Franchisee’s employees deal with customers, suppliers, Franchisor, and all other persons in a courteous and polite manner. Management responsibility shall include the presence of the Operations Manager, or an assistant manager who has successfully completed any training required by Franchisor before being designated as an Operations Manager or assistant manager at the Franchised Business, during all business hours.

(2) Qualifications. The Operations Manager complete Franchisor’s initial training requirements, participate in and complete to Franchisor’s satisfaction all additional training as may be reasonably required by Franchisor. If an Owner, the Operations Manager shall agree in writing to be bound by non-compete, non-solicitation, and confidentiality provisions substantially similar to those contained in Sections 14 and 15 of this Agreement. If an employee, the Operations Manager shall agree in writing to be bound by a confidentiality and non-solicit agreement.

(3) Change. If at any time for any reason the Operations Manager no longer qualifies to act as such or departs the Franchised Business, Franchisee shall promptly designate another Operations Manager subject to the same qualifications set forth in this Section 11 within sixty (60) days of the disqualification or departure of the former Operations Manager. Franchisor shall receive advanced written notice of any change in the Operations Manager.

(ii) Operating Principal Manager. Franchisee shall designate an Owner of at least ten percent (10%) of Franchisee to serve as the “Operating Principal” for the Franchised Business. The Operating Principal shall meet the following qualifications:

(1) Responsibility. The Operating Principal be knowledgeable about the Franchised Business and its operations and shall serve as the contact between Franchisor and Franchisee in all operational and franchise matters.

(2) **Qualifications.** The Operating Principal shall complete Franchisor's initial training requirements, participate in and complete to Franchisor's satisfaction all additional training as may be reasonably required by Franchisor. The Operating Principal shall agree in writing to be bound by non-compete, non-solicitation, and confidentiality provisions substantially similar to those contained in Sections 14 and 15 of this Agreement.

(3) **Change.** If at any time for any reason the Operating Principal no longer qualifies to act as such or departs the Franchised Business, Franchisee shall promptly designate another Operating Principal subject to the same qualifications set forth in this Section 11 within sixty (60) days of the disqualification or departure of the former Operating Principal. Franchisor shall receive advanced written notice of any change in the Operating Principal.

(b) **Compliance with Franchisor's Standards.** Franchisee shall operate the Franchised Business through strict adherence to Franchisor's standards, specifications and policies as they now exist, and as they may from time to time be modified. Franchisee agrees to follow the instructions of Franchisor as well as Franchisor's employees, agents, and/or Franchisor's area directors or developers.

(c) **Training.** It will be solely Franchisee's responsibility to ensure that all new employees and current employees are trained to perform their duties in a proper manner at the Franchised Business and Franchisee shall implement and maintain an employee training program, at Franchisee's expense. Franchisee shall ensure that all employees have all necessary certifications and credentials as required by applicable state laws and licensing regulations (including for example any massage therapist licenses), and that all employees must satisfy all continuing educational, licensing, training requirements as may be specified by applicable laws and regulations. Training by Franchisor will be at reasonable times and subject to availability of Franchisor's representatives. In the event that Franchisor provides training to Franchisee's employees upon Franchisee's request, Franchisee Indemnifying Parties hereby release, indemnify and hold harmless Franchisor Indemnified Parties from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or the continuing education of Franchisee's employees as set forth herein. Franchisor reserves the right to assess a training fee or attendance fee for any conferences, conventions, or other training Franchisor or its approved suppliers provide.

(d) **Compliance with Specifications and Procedures.** Franchisee acknowledges that the Brand Standards Manual is designed to protect Franchisor's Marks, brand image, goodwill, and standards and systems, and not to control the day-to-day operation of the business. Franchisee shall comply with all rules, regulations, and directives specified by Franchisor, as well as all mandatory standards, specifications and procedures contained in the Brand Standards Manual, as amended from time to time.

(e) **Franchisee Control.** Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring, setting the conditions of employment, supervision, discipline and termination of all personnel, purchases and maintenance of equipment and supplies, preparing Franchisee's own marketing plans and funding and implementing those marketing plans, maintenance of employment records, and daily maintenance,

safety, security and the achievement of compliance with the Brand Standards Manual. Franchisor's ability to approve certain matters, to inspect the Franchised Business and its operations and to enforce its rights exists only to the extent necessary to protect its interest in the System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee. Franchisee expressly has control over the following for its employees: wages, benefits, and other compensation; hours of work and scheduling; hiring and discharge; discipline; workplace health and safety; supervision; assignment; and work rules and directions governing the manner, means, or methods of work performance.

(f) Employment Matters. Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Franchised Business, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment, housing or transportation for Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee. Franchisee shall comply with all employment laws and regulations. At all times, Franchisee shall ensure that Franchisee and Franchisee's employees are in compliance with federal, state, and local tax laws.

(g) Employer Acknowledgment. Franchisee shall obtain from each of its employees an acknowledgment signed by such persons providing that such individual understands, acknowledges, and agrees that (i) he or she is an employee of Franchisee and not Franchisor and (ii) he or she shall look solely to Franchisee, and not to Franchisor or its affiliates, agents, or employees, for his or her compensation and for all other employment matters.

(h) Brand Standards Manual. Franchisor will provide Franchisee with one (1) or more Brand Standards Manual, policy and procedure statements, or other written notice of standards and specifications which shall contain (i) the mandatory and suggested specifications, standards and operating procedures prescribed from time to time by Franchisor and (ii) information relative to other obligations of Franchisee hereunder and the operation of the Franchised Business (collectively the "Brand Standards Manual"). The Brand Standards Manual may be in print, video, audio, or other electronic forms. For purposes of this Agreement "Brand Standards Manual" also includes separate manuals and alternative or supplemental communications of Franchisor such as by bulletins, emails, video, audio, and other electronic or print methods. The Brand Standards Manual shall at all times remain the sole property of Franchisor and shall promptly be returned to Franchisor upon the expiration, non-renewal, transfer or other termination of this Agreement for any reason. Franchisor may, from time to time, revise the contents of the Brand Standards Manual. To the extent that Franchisor shall deem it necessary or appropriate, Franchisor will provide Franchisee with policy and procedure statements or other written notice of specifications standards and procedures, policies, and other standards and specifications contained in the Brand Standards Manual, policy and procedure statements and other written notices as issued from time to time by Franchisor. Franchisee acknowledges and agrees that all information in the Brand Standards Manual, policy and procedure statements and other notices constitute confidential information and trade secrets, and shall not be disclosed at any time by Franchisee. Franchisee shall not copy, disclose, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason, the Brand Standards Manual or any other communication or information provided by Franchisor.

Franchisor shall have the right to modify the policies and procedures of the Brand Standards Manual at any time, which modifications shall be binding upon Franchisee.

(i) **Variations in Standards.** Because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Chain, to vary standards within the Franchised Business or any other Franchised Business in the Chain based upon peculiarities of particular location or circumstances, including, but not limited to, density of population and other demographic factors, size of a franchisee's territory, business practices or customs, or any other condition which Franchisor deems to be of importance to the operation of such Franchised Business or the Chain. Franchisee acknowledges that because of these factors and others, there may be variations from standard specifications and practices throughout the Chain and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee.

(j) **Compliance with Laws.** Franchisee shall at all times comply with all laws, ordinances, rules and regulations of all applicable governmental bodies, and pay any and all taxes, assessments, fines and penalties arising out of the operation of the Franchised Business, including state and federal unemployment taxes and sales taxes and data privacy laws.

(k) **Courtesy, Cooperation, Fair Dealing and Ethical Business Practices.** In all dealings with customers, suppliers, Franchisor and others, Franchisee will act according to the highest standards of honesty, integrity, fair dealing and ethical conduct. At all times and under all circumstances, Franchisee and its employees shall treat all customers and other persons, including Franchisor's agents, officers, and employees with the utmost respect and courtesy, and shall fully cooperate with Franchisor and its agents, officers, and employees in all aspects of the franchise relationship. Franchisee will operate Franchisee's business in full compliance with all applicable laws, ordinances and regulations, including all licensing requirements. Franchisee will not engage in any illegal discriminatory practices. Franchisor makes no representations as to what (if any) licenses, permits, authorizations or otherwise will be required in connection with Franchisee's establishment or operation of Franchisee's business. Franchisee is solely responsible for determining what licenses, permits, authorizations or otherwise are required and to obtain them, all at Franchisee's expense. Franchisee will refrain from any practice which may injure the goodwill associated with the Marks. Franchisee will notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which relates to, or which may affect the operation or financial condition of, Franchisee, Franchisee's business and/or the Marks.

Franchisee agrees to comply with and/or assist Franchisor in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise. Franchisee agrees to comply with and assist Franchisor in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's business as may be required by Franchisor or by law. Franchisee confirms that Franchisee is not listed in the Annex to Executive

Order 13224 and agrees not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and Franchisee specifically acknowledges and agrees that the Franchisee Indemnifying Parties' indemnification responsibilities as provided in Section 19(b) of this Agreement pertain to Franchisee's obligations hereunder.

(l) Business Relations. Franchisee shall at all times operate the Franchised Business in a financially sound, prudent and business-like manner and, without limiting the generality of the foregoing, pay all its bills and accounts promptly when due and shall take no action, or omit to take any action, the result of which would be to tend to disrupt, damage or jeopardize Franchisee's relationship with suppliers or customers, Franchisor's good reputation, or the good reputation of Franchisor's other franchisees. Franchisee will not engage in any trade practice or other activity which is harmful to the goodwill or reflects unfavorably on the reputation of Franchisee, Franchisor, the Franchised Business, the Marks, the services and/or goods sold at the Franchised Business, or constitutes deceptive or unfair competition or otherwise is in violation of any applicable laws.

(m) Crisis Situations. Franchisee shall notify Franchisor immediately upon the occurrence of any situation that may have a significant negative impact on Franchisee, Franchisor, the Franchised Business, or which could have a deleterious effect on the VIYADA THAI SPA brand, Marks or System ("Crisis"). Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Franchisor or as specified in the Brand Standards Manual, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. A Crisis includes, but is not limited to, any event that occurs at or about the Franchised Business or in connection with the Franchised Business that has or may cause harm or injury to customers or employees. Examples include, but are not limited to, workplace injuries, product recalls, injuries or abuse of employees or customers, contagious diseases, natural disasters, terrorist acts, shootings, cyber-attacks, or any other circumstance which may damage the System, Marks, or image or reputation of the Franchised Business, the System or Franchisor. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis. In the event of the occurrence of a Crisis, Franchisor may establish emergency procedures which may require Franchisee to temporarily close the Franchised Business to the public, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby. Franchisor will have the right to take control of the management of communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Franchised Business, Marks, System, or Franchisor. Franchisee will obtain Franchisor's consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Franchised Business, Marks, System, or Franchisor.

(n) Change in Marital Status. In the event that the Franchisee is an individual and is married at the time this Agreement is signed, both spouses must sign this Agreement, and if any one or more of the personal guarantors of the Franchisee is married, both spouses must sign a personal guaranty. If Franchisee or one (1) of its Owners or guarantors has a change in marital status during the Initial Term of this Agreement, Franchisee shall promptly inform Franchisor of

that change and Franchisee agrees that any new spouse will sign Franchisor's form guaranty, non-solicit, and confidentiality agreements.

(o) Books and Records; Financial Reporting.

(i) Books and Records. Franchisee shall maintain during the Initial Term, First Renewal Term, and Second Renewal Term, and shall preserve for at least five (5) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Franchisee's expense, full, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles. Franchisee shall maintain such records at the Premises, unless otherwise authorized by Franchisor. Franchisee agrees at all times to use the chart of accounts, format for financial statements, and accounting procedures established from time to time by Franchisor. Franchisor has the right to require Franchisee to grant Franchisor unlimited, remote, 24/7 access to Franchisee's books, records, and accounts that are provided through Computer Systems.

(ii) Submission of Performance Reports. Franchisee shall submit to Franchisor the following performance reports for review or auditing: (1) Gross Sales reports and performance reports for the prior month; (2) monthly financial statements, including a balance sheet and income statement; and (3) such forms, reports, records, information, and data as Franchisor may designate, in the form and at the times and places required by Franchisor, including without limitation, by electronic telecommunications data transmission methods, upon request and as specified from time to time in the Brand Standards Manual or otherwise in writing. Franchisor may require Franchisee to have a certified public accountant review such statements, reports, and information, the expense of which shall be borne entirely by Franchisee, and then submit such reviews to Franchisor. Franchisee also shall immediately notify Franchisor in writing when one (1) or more liens or judgments are filed against Franchisee, the Franchised Business and/or any of the personal guarantors (if any) under this Agreement.

(iii) Submission of Financial Statements and Tax Returns. Franchisee shall submit, within forty-five (45) days following the close of business of Franchisee's fiscal year and of Franchisor's fiscal year, copies of a balance sheet, profit and loss statement, and cash flow report prepared and certified by a certified public accountant which cover the prior fiscal year of Franchisee or Franchisor. Franchisee also shall submit, within five (5) days of their filing, its federal and state tax returns for each year during the Initial Term, First Renewal Term, or Second Renewal Term; provided, however, that if Franchisee is not a corporation or partnership, Franchisee may, at its option, submit only those schedules to its personal tax filings which reflect the revenues and expenses of the Franchised Business.

(iv) Audit of Franchisee's Records. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of the Franchised Business and remove copies thereof from the Franchised Business premises. Franchisor shall also have the right at any time, at Franchisor's expense, to have an independent audit made of the Franchised Business books, records and accounts. If any inspection or audit reveals that an underpayment exists,

Franchisee shall immediately pay to Franchisor the amount owing to Franchisor, as determined by the inspection or audit. Upon discovery of an understatement of two percent (2%) or more, in addition to prompt payment of the underreported amount, Franchisee shall reimburse Franchisor for any and all expense connected with such inspections or audits, including but not limited to reasonable accounting and legal fees as well as interest as provided for in Section 3(e) of this Agreement. Such payments shall be without prejudice to any other remedies Franchisor may have under this Agreement or otherwise at law. If a discrepancy of less than two percent (2%) is revealed, Franchisor will bear the costs of the audit.

(v) **Forms.** Franchisee will use only such forms, including, without limitation, those used in and generated by the required software, as are approved by Franchisor in the Brand Standards Manual or otherwise in writing. Franchisee will obtain all forms specified by Franchisor and/or the required software, at Franchisee's expense, from suppliers approved by Franchisor. Franchisor may maintain and make available to Franchisee all or a portion of such forms electronically in addition to, or in lieu of, providing hard copies to Franchisee.

(vi) **Accounting Service Provider.** Franchisor has the right to require Franchisee to use an accounting service provider mandated by Franchisor.

(p) **Inspections.** Franchisor and its agents have the right to enter Premises and/or Franchised Business, with or without notice, at any time, in person or remotely via communications technology, in order to inspect, photograph, and/or video on-going new construction or leasehold improvements, designs, equipment and operations, and the performance of any and all services provided in and around the Franchised Business and/or the Premises to ensure compliance with all requirements of this Agreement. Franchisee will cooperate with Franchisor's representatives in those inspections by rendering whatever assistance Franchisor may reasonably request, including using communications or audiovisual technology, such as a smartphone, to facilitate the remote inspection by Franchisor or Franchisor's agents and providing the assistance necessary to enable Franchisor to contact and interview any supplier, architect, designer, contractors, subcontractor, and suppliers, as well as Franchisee's customers and former customers. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee will take such steps as may be necessary to correct the deficiencies detected during any such inspection, including without limitation immediately correcting any problems with construction or leasehold improvements, and immediately desisting from the further use of any equipment, advertising materials, goods, or materials that do not conform to Franchisor's then-current plans and specifications, the Brand Standards Manual, or other standards or requirements, and to repair or replace anything in the Franchised Business that does not so conform. Franchisee acknowledges and agrees that any and all inspections by Franchisor and all demands made by Franchisor to correct deficiencies and conform to Franchisor's standards and specifications will not constitute a representation or warranty by Franchisor that the Franchised Business or its operations comply with applicable laws, codes, ordinances, regulations or governmental standards. Upon reasonable written notification from Franchisor of a scheduled inspection, one (1) of Franchisee's Owners must be present during such inspection.

(q) **Computer System.** Franchisee, at its expense, shall purchase or lease and thereafter maintain such computer hardware and software, mobile application(s), cloud-based systems and/or software, smartphone(s), tablet, broadband high-speed internet service, active e-mail account, required dedicated telephone and power lines, modem(s) printer(s), point-of-sale systems, scheduling systems, electronics, communications systems, management systems, instructional systems, security systems, robotics, automation and other computer-related or technology-related accessories or peripheral equipment as Franchisor specifies ("Computer Systems"). Franchisor's requirements for the Computer Systems will be updated from time to time as deemed necessary by Franchisor in accordance with changing technology and industry standards and may require Franchisee to lease or purchase new Computer Systems. Franchisee must periodically update, as required by Franchisor and/or the Computer Systems' suppliers, all Computer Systems solely at Franchisee's expense. Franchisee may be required to license proprietary Computer Systems directly from Franchisor or Franchisor's affiliates. Franchisee may be required to enter into license agreement(s) with Franchisor or other suppliers to provide all or part of the Computer Systems. Franchisor and its agents shall have the right to access all information related to the operation of the Franchised Business that is accessed or stored on the Computer Systems, whether in-person or from a remote location, without the need for Franchisee's consent, at the times and in the manner prescribed by Franchisor, which may be unlimited, remote, 24/7 access. Franchisor shall be granted access and may use data from the Computer Systems or from any source utilized by Franchisee in any way Franchisor deems fit and Franchisee agrees to furnish such data to Franchisor at any time that Franchisor requests it. Franchisor has the right to require Franchisee to connect to Franchisor's own computer systems. Franchisee shall provide Franchisor with all required passwords or login credentials to access the Computer Systems and shall grant Franchisor any permissions necessary for Franchisor to view and access the data on the Computer Systems. Data relating to the Franchised Business and/or the System that is generated by, stored on, saved to, downloaded or uploaded to, shared with the Computer Systems is part of the Franchised Business Data owned solely by Franchisor. Despite the fact that Franchisee agrees to buy, use, and maintain the Computer Systems according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which the Computer Systems interfaces with Franchisor's and any third party's computer system; and (3) any and all consequences if the Computer Systems is not properly operated, maintained, and upgraded. Franchisee may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer Systems that might hamper or interfere with the operation of the Computer Systems in the manner Franchisor requires. Franchisee acknowledges and agrees that Franchisor shall have no responsibility under any circumstances for any malfunction or "crash" of any Computer System provided by or approved by Franchisor, including, but not limited to, for any data lost as a result of such malfunction or "crash." Franchisor shall have unlimited, independent access to all information and data (including Franchised Business Data) produced by or otherwise located on any of Franchisee's Computer Systems.

(r) **Gift Cards.** Franchisee shall sell or otherwise issue gift cards ("Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor and only in the manner specified by Franchisor in the Brand Standards Manual or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisor via its website, Franchisee or another franchisee. Franchisee shall sell, issue, and redeem Gift Cards in accordance with procedures and policies specified by Franchisor in the Brand Standards Manual or otherwise in

writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other franchisees and for making timely payment to Franchisor, other operators of franchises, or a third-party service provider for Gift Cards issued by Franchisee that are honored by Franchisor or other franchisees.

(s) **Group Buying Services and Delivery.** Franchisee agrees not to use any group buying services, including, without limitation, Groupon or Living Social, without first obtaining express written permission of Franchisor. As with all advertising, advertisements placed with a group buying service are subject to Franchisor's prior written approval. Franchisee agrees not to use any third-party delivery services, including, without limitation, Grubhub or Uber Eats, without first obtaining express written permission of Franchisor. Franchisee must comply with all delivery services policies and procedures set forth by Franchisor and must use such suppliers as Franchisor may require. As with all advertising, advertisements placed with a group buying service are subject to the Section 8(e) herein.

(t) **Credit Card Processing.** Franchisee agrees to use such credit card processing services approved by Franchisor and to purchase and maintain, at Franchisee's expense, any equipment necessary to permit such credit card processing functionality. Notwithstanding the credit card processing requirement, Franchisor does not represent, nor does it certify or warrant, to Franchisee or Franchisee's customers that the credit card processing service approved by Franchisor is compliant, whether or not certified as such, with the PCI Data Security Standards.

(u) **Data Protection; Privacy.**

(i) **Definition of Personal Information.** As used in this Agreement, "Personal Information" shall mean (i) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee's employees and customers and (ii) information that is defined as protected, personal information under any Privacy Law.

(ii) **Data Protection and Security Policies.** Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Franchisor's data protection and security policies as may be described in the Brand Standards Manual ("Data Protection and Security Policies"). Such policies may govern how Franchised Business Data and Personal Information contained in such data shall be collected, used, stored, processed, shared, or destroyed. Franchisor has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Franchisor may supplement, modify, or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Franchisor. Franchisor may require Franchisee to institute a data privacy policy for its Franchised Business. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

(iii) **Privacy Laws.** Franchisee warrants and represents and covenants that it shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards

Council (“PCI-DSS”), (ii) those mandatory Data Protection and Security Policies, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, “Privacy Laws”).

(iv) **Marketing; Consumer Protection.** Franchisee warrants and represents that it will not transmit or cause any other party to transmit advertisements or solicitations by e-mail, SMS text message, or other electronic media without first obtaining Franchisor’s written consent as to: (a) the content of such e-mail, electronic, or SMS text message advertisements or solicitations; and (b) Franchisee’s plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”), and to use of automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 (“TCPA”), as amended from time to time. Franchisee must comply with the Fair and Accurate Credit Transactions Act (FACTA) and all other consumer protection laws and regulations.

(v) **Security Breach.** Franchisee shall cooperate with Franchisor in any audit that Franchisor may conduct from time to time of its data storage and management systems and Franchisee’s storage of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction, transfer, or other compromise or acquisition of or access to any Personal Information, whether such information is stored in paper or electronic form, or information that might reasonably expose Franchisor to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into Franchisee’s or Franchisor’s computers, networks, servers, IT resources, or paper files (“Security Breach”), Franchisee shall immediately notify Franchisor’s President via telephone of such matter and shall thereafter cooperate with Franchisor to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Franchisor has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Franchisor for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by Franchisor arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee or its personnel. “Notification and Remediation Related Costs” shall include Franchisor’s internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as Franchisor deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with Franchisor’s investigation of and response

to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee agrees to hold harmless, defend and indemnify Franchisor Indemnified Parties from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Franchisor Indemnified Parties shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee's or Franchisee's officers, directors, agents or employees' violation of any Privacy Law, Data Protection and Security Policies, consumer protection-related law or regulation, e-mail marketing and other marketing laws and regulations, and the PCI-DSS.

(vi) **Inspection.** Franchisor, through its employees and/or any agents designated by Franchisor from time to time, may at any time during business hours, and without prior notice to Franchisee enter upon and inspect the Premises and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents in order to verify compliance with its Data Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at Franchisor's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, or this Agreement, Franchisor may charge Franchisee for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of Franchisor's employees and/or agents.

(vii) **Personal Information Consent and Requests.** Franchisee is responsible for obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from its customers, employees, and other parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. Franchisee shall retain copies of the consent and store them and share them with Franchisor in the manner Franchisor requires. Franchisee shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts Franchisee seeking to exercise any right under law pertaining to Personal Information, Franchisee shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Brand Standards Manual, the Privacy Laws, and as otherwise instructed by Franchisor. If requested by Franchisor, Franchisee must cooperate or coordinate with Franchisor to provide information about the way that Franchisee has collected, used, stored, processed, and shared Personal Information.

(viii) **Use of Personal Information.** Franchisee warrants and represents and covenants that it shall not collect, use, store, process, or share Personal Information unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Brand Standards Manual, (iv) Privacy Laws, and if, applicable, (v) written approval of Franchisor. Franchisee shall collect, use, store, process, and share Personal Information only for purposes of operating the Franchised Business. Franchisee shall not sell Personal Information. Franchisee shall not re-identify any Personal Information that has been de-identified. If Franchisee engages any supplier that will collect, use, store, process, or share Personal Information, Franchisee

must contractually bind the supplier to the data protection obligations that Franchisor requires.

(v) **Quality Assurance; Secret Shoppers; Toll-Free Number; Etc.** Franchisor may, at its sole discretion, institute various programs for verifying customer satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including, without limitation, marketing research surveys, a toll-free number, customer comment cards, secret shoppers, or otherwise. Franchisor will share with Franchisee the results of such programs as they pertain to Franchisee's business and Franchisee agrees to reimburse Franchisor for all costs associated with any and all such programs, which cost may be drafted by EFT at the sole discretion of Franchisor.

(w) **Franchise Advisory Council.** Franchisor may, but is not obligated to, form a Franchise Advisory Council selected by Franchisor in Franchisor's sole discretion, which shall provide Franchisor input as Franchisor may request from time to time ("FAC"). The FAC exists at Franchisor's pleasure, and Franchisor is not obligated or bound by any input provided by the FAC. Franchisor has the right to add or remove members of the FAC in Franchisor's sole discretion.

(x) **No Warranties.** FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, APPROVE, SUPPLY, OR REQUIRE FRANCHISEE TO PURCHASE OR USE. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT, SUPPLIES, OR OTHER APPROVED ITEMS.

(y) **Customer Service and Payments.** Franchisee must follow the procedures for customer complaints found in the Brand Standards Manual. Resolution of customer concerns may involve discounting goods or services and other such measures that affect the Gross Sales and profits of the Franchised Business. Franchisor reserves the right to charge Franchisee for Franchisor's costs to respond and/or resolve a complaint by Franchisee's customers that Franchisee does not satisfactorily resolve. Franchisee shall comply with Franchisor's policies for customer refunds or returns. Franchisee agrees to accept the types and forms of customer payment as Franchisor may require from time to time and shall not accept a type or form of payment that Franchisor has not authorized.

(z) **Promotional Requirements.** Franchisor has the right to require Franchisee to participate in membership programs, gift card programs, loyalty programs, and national, regional, and local giveaways and promotions at Franchisee's expense. Franchisee may be required to provide free or discounted goods or services as a result of such membership programs, gift card programs, loyalty programs, giveaways, or promotions. Franchisor is not required to reimburse Franchisee for Franchisee's costs and expenses incurred as a result of these membership programs, gift card programs, loyalty programs, giveaways, or promotions. Franchisee may be required to participate in membership programs, gift card programs, loyalty programs, giveaways, or promotions, as Franchisor modifies them from time to time. Franchisee must honor coupons, value

cards, gift cards, or memberships sold or distributed by other VIYADA THAI SPA businesses if required by Franchisor. This may mean that Franchisee is obligated to provide services to customers in accordance with the terms of the program, even if the Franchised Business is not the customer's home location, and may be required to provide reimbursement to other VIYADA THAI SPA businesses. Franchisee must ensure the form of membership agreement Franchisor provides complies with all applicable laws, rules, and regulations. Franchisee must not use any form of membership agreement that Franchisor has not approved or make any changes to the membership agreement that Franchisor has not approved. Franchisee must not issue or offer any membership, gift certificate, gift card, loyalty, or similar program without or prior approval. Franchisee must accept as payment for goods and services any valid gift card or other such indication of prepayment or credit, no matter where such credit was issued or such prepayment was made. Franchisee must sell, issue, redeem, and honor memberships, gift card, loyalty program incentives, and promotions Franchisor requires in accordance with Franchisor's procedures and policies. Franchisee shall comply with Franchisor's policies for membership cancellations and refunds. Franchisee shall not sell, issue, or accept memberships or gift cards that are not authorized by Franchisor. Franchisee agrees to honor all authorized memberships and gift cards, even if sold by Franchisor, another franchisee, or another authorized party. Redemption of gift cards shall be done in accordance with Franchisor's policies and standards, including procedures for reimbursement for gift cards issued by other parties. Royalties on pre-paid packages and memberships will be paid in accordance with Franchisor's current policies. Accounting for redemptions of memberships and pre-paid packages at spas other than the guest's home spa will be done in accordance with Franchisor's current policies.

(aa) **Lead Therapist.** Once the Franchised Business has operated for six (6) months, it must at all times have a lead therapist who is a qualified, licensed massage therapist ("Lead Therapist"). The Lead Therapist must complete the required training within thirty (30) days of being appointed as the lead. The Lead Therapist will have responsibilities for training other massage therapists at the Franchised Business.

12. Suppliers, Products and Services.

(a) **Suppliers, Products, and Services.** In the operation of the Franchised Business, Franchisee shall use and sell only those goods, materials, supplies, equipment, Computer Systems, technology, and services that have been specifically designated, approved or required by Franchisor. Franchisee shall sell all goods and services required by Franchisor. To the extent that Franchisor has established designated or approved suppliers, Franchisee shall obtain all goods, materials, supplies, equipment, technology, Computer Systems, and services that are used in operation of the Franchised Business from suppliers that Franchisor shall have specifically designated or approved. Franchisee may be required to purchase from Franchisor certain goods or services, or Franchisor may designate an affiliate as the designated supplier of any goods, materials, supplies, equipment, technology, or services used in the operation of the Franchised Business. Franchisor may designate exclusive suppliers for any goods, materials, supplies, equipment and service. Franchisor or its affiliates may receive payments, discounts, or other compensation from suppliers on account of the suppliers' dealings with Franchisor, Franchisee, or other franchised businesses in the System. Franchisor may use any amounts that it receives from suppliers for any purpose that Franchisor deems appropriate. Franchisor and its affiliates may negotiate supply contracts with its suppliers under which Franchisor is able to purchase goods, equipment, supplies, and services at a price lower than that at which franchisees are able to

purchase the same items. Franchisor may, from time to time, amend the list of approved goods and suppliers, and Franchisee must comply with any such changes within thirty (30) days after receiving notice of the change. Goods and services other than those required to be obtained from Franchisor or a designated supplier may be purchased from any source provided that the particular supplier, services, and goods have been approved by Franchisor. Franchisor may, from time to time, amend the list and this section of approved goods and suppliers. If Franchisee requests that Franchisor review a new or alternate supplier, service, or good, Franchisee shall the greater of Five Hundred Dollars (\$500) or Franchisor's costs and expenses as a result of its evaluation. Further if Franchisor and its affiliates sell any goods and services to Franchisee, Franchisor and its affiliates may make a profit. Franchisee hereby agrees that Franchisor and its affiliates are entitled to such profits, payments, discounts, or other compensation.

(b) Pricing. Franchisee shall have the right to set prices provided that, subject to applicable antitrust laws, such pricing: (1) complies with any minimum or maximum prices set by Franchisor; and (2) complies with any prices specified by Franchisor; and (3) conforms to any bona fide promotional, loyalty, or national or regional accounts programs periodically established by Franchisor. Franchisor retains the right to modify its pricing policies from time to time in its sole discretion. Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Chain, to vary pricing standards and policies within the Franchised Business or any other Franchised Business in the Chain based upon peculiarities of particular location or circumstances, including, but not limited to, density of population and other demographic factors, size of a franchisee's territory, business practices or customs, cost of a franchisee's rent or mortgage payments, or any other condition which Franchisor deems to be of importance to the operation of such Franchised Business or the Chain. Franchisee acknowledges that because of these factors and others, there may be variations from standard pricing policies and practices throughout the Chain and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee. Franchisee must provide to Franchisor a price list upon request.

(c) System Changes. Franchisee acknowledges that the System, the services, and goods offered by the Franchised Business may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, goods, and services) from time to time by Franchisor; and Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. Franchisee agrees there is no limit to Franchisor's ability to modify the System. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party supplier, as a result of these System changes.

(d) Technology Changes. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it will abide by those reasonable new standards established by Franchisor, at Franchisee's sole cost and expense. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party suppliers, as a result of these changes to technology.

13. Transfer; Franchisor's Right of First Refusal.

(a) Transfers by Franchisor. This Agreement, and any and/or all of Franchisor's rights and/or obligations under it, are fully transferable by Franchisor in Franchisor's sole discretion and will inure to the benefit of any person or entity to whom Franchisor transfers it, or to any other legal successor to Franchisor's interest in this Agreement. If Franchisor transfers this Agreement, or any and/or all of Franchisor's rights and/or obligations under it, all past, current and future obligations of Franchisor to Franchisee will cease and be forever extinguished. Franchisor shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and will remain the same notwithstanding any such assignment. Franchisor may be sold and/or Franchisor may sell any or all of its assets to a competitive or other entity; or Franchisor may participate in an initial, or other, public offering or private placement of Franchisor's stock; may merge, acquire other entities and/or assets (competitive or not); may be acquired by a competitive or other entity; and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this section or otherwise.

(b) Transfers by Franchisee. The rights and interest of Franchisee under this Agreement are and shall remain personal to Franchisee. Franchisee recognizes that Franchisor has granted the License in reliance on the business, financial capacity, personal skill, qualifications and representations of the Owners of Franchisee and in reliance upon Section 13, 14, 15 and 23 of this Agreement and the Owners' agreement to be bound thereby. Therefore, neither Franchisee's interest, rights or privileges in the Agreement, the License, substantially all of the assets of the Franchised Business, or the Franchised Business, nor the Owners' interest in Franchisee or the Owner(s), in whole or in part, voluntarily or involuntarily, by operation of law or otherwise, in any manner, shall be transferred, except as provided in this Section 13. For purposes of this Agreement, the term "transfer" shall mean any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance (other than a lien against Franchisee's assets to secure a loan for the construction, remodeling, equipping or operation of the Franchised Business), transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary. Except as provided below, any ownership or structural changes in Franchisee including but not limited to, any merger, reorganization, issuance of additional shares or classes of stock or additional partnership interests, shall constitute and be deemed a transfer and shall be subject to the provisions of Section 13(d).

(c) Franchisor's Right of First Refusal.

(i) Exercise of Right. If Franchisee or an Owner proposes to transfer this Agreement or its interest herein or in the Franchised Business, in whole or in part, Franchisee must first deliver a statement to Franchisor offering to sell to Franchisor the Franchisee's or Owner's interest in this Agreement and the land, building, equipment, furniture and fixtures and any other assets or leasehold interests used in the operation of the business. If the proposed transfer involves an offer from a third party, then Franchisee must obtain from the third-party offeror and deliver to Franchisor a statement, in writing, signed by the offeror and by Franchisee, of the binding terms of the offer. If the transfer does not involve an offer from a third party, then the purchase price for Franchisor's purchase of assets described above will be the fair market value of the assets, but shall not

include the value of any goodwill of the business, as the goodwill of the business is attributable to the Marks and the System. If Franchisee disagrees with the value of the Franchised Business as determined by Franchisor, then Franchisee and Franchisor shall each hire an appraiser (or a single appraiser, if they so agree) to value the assets. If the appraisals are within twenty percent (20%) of each other, then the difference between the two shall be equally divided to establish the price at which Franchisor may exercise its first right and option. If the difference between the appraisals is greater than twenty percent (20%), then the issue of the fair market value of such consideration shall be determined by a third appraiser selected by the other two appraisers and whose decisions shall be final, except that it may not be lower or higher than the lowest appraisal and highest appraisal, respectively, determined by the first two appraisers. Franchisor and Franchisee will each pay one-half of the appraiser's fees and expenses. Franchisor then has forty-five (45) days from its receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by Franchisor) to accept the offer by delivering written notice of acceptance to Franchisee. Franchisor will have an additional forty-five (45) days to complete the purchase if Franchisor elects to exercise its right of first refusal. Franchisor's acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to Franchisor; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (1) Franchisor has the right to substitute equivalent cash for any noncash consideration included in the offer, (2) Franchisor will prepare the transaction documents for the transfer, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification), and (3) Franchisor's purchase may be limited to any assets related to the business.

(ii) **Approval of Transfers.** If Franchisor decides not to exercise its right of refusal, Franchisor shall have the right to approve or disapprove the proposed transfer; provided, however, Franchisor's consent shall not be unreasonably withheld as provided in Section 13(d). If Franchisor approves the transfer in writing, Franchisee (or Owner, as applicable) may make the proposed transfer on the exact terms and conditions specified in Franchisee's notice to Franchisor within sixty (60) days after the expiration of Franchisor's right of first refusal. If the transfer is not consummated within such sixty (60)-day period, Franchisee may not thereafter transfer such interest without again complying with this Section 13.

(d) **Conditions on Transfer.** Provided Franchisor chooses not to exercise its right of first refusal, Franchisor agrees that it will not unreasonably withhold its consent to a proposed transfer if all the following conditions are satisfied:

(i) **Compliance.** Franchisee, its Owners, and its affiliates is in full compliance with this Agreement and any other agreement with Franchisor's affiliates, and there are no uncured defaults by Franchisee under them, and all debts and financial obligations of Franchisee under this Agreement are current, including Franchisee's obligations to the Brand Fund, each Cooperative of which Franchisee is a member, and all suppliers, including but not limited to, Franchisor and any affiliate.

(ii) **Agreements.** The proposed transferee executes such documents as Franchisor may reasonably require to evidence that it has assumed the obligations of

Franchisee under this Agreement, including, but not limited to, the then current version of the Franchise Agreement, and if required by Franchisor, the proposed transferee executes, and in appropriate circumstances, causes such other parties as Franchisor may require to execute, Franchisor's then-current ancillary agreements to this Agreement, which documents may be substantially different than those executed contemporaneously with the execution of this Agreement. This Agreement between Franchisor and Franchisee will terminate once an approved transfer is completed.

(iii) **Release.** Franchisee; Owners; guarantors of Franchisee; and their respective predecessors and affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns execute a general release, in a form prescribed by Franchisor, releasing Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities from any and all claims, causes of action, demands, debts, liabilities, obligations, fees, costs and expenses, including without limitation, claims and causes of action arising under federal, state and local laws, rules, regulations and ordinances, arising prior to and including the date the transfer becomes effective.

(iv) **Training.** Prior to the date of the proposed transfer, the proposed transferee's principal operator and managers undertake and complete, to the satisfaction of Franchisor, such training and instruction as Franchisor shall deem necessary.

(v) **Qualifications.** Franchisor is satisfied that the proposed transferee, and if the proposed transferee is an entity, all owners of any interest in such entity, meets all of the requirement for Franchisor's new franchisees applicable on the date Franchisor receives notice of the proposed transfer and including, but not limited to, good reputation and character, business experience, management experience, and financial strength and liquidity.

(vi) **Continuing Obligations.** Franchisee and/or Owner(s) transferring an interest in Franchisee acknowledge and agree in writing that it is bound by Sections 14, 15 and 23 of this Agreement.

(vii) **Transfer Fee.** Franchisee or the Owner, as applicable, pays to Franchisor a transfer fee. A Five Thousand Dollars (\$5,000) non-refundable deposit is due on Franchisee's notification to Franchisor of the proposed transfer and prior to Franchisor's undertaking any review, drafting of documents, training or other activities. The balance of the transfer fee shall be due upon the signing of the transfer agreement. The transfer fee for an In-Network Transferee shall be equal to Fifty Percent (50%) of the then-current initial franchise fee and the transfer fee for an Out-Of-Network Transferee shall be Seventy Five Percent (75%) of the then-current initial transfer fee. "In-Network Transferee" shall mean a person or party that is a VIYADA THAI SPA franchisee in good standing at the time of the transfer. "Out-of-Network Transferee" shall mean a person or party that is not a VIYADA THAI SPA franchisee in good standing at the time of the transfer.

(viii) **Required Documents.** The proposed transferee, and all owners of any interest in a transferee that is an entity, provide Franchisor, at least forty-five (45) days prior to the proposed transfer date, with copies of financial statements for the preceding three (3) years, and where applicable, its certificate of incorporation and bylaws (and any amendments or modifications thereof), minutes and resolutions and all other documents, records and information pertaining to the transferee's existence and ownership.

(ix) **Update.** Within the time specified by Franchisor, Franchisee, at its expense, shall refurbish the Franchised Business, as necessary, to conform the Franchised Business to Franchisor's then-current standards and specifications, including, without limitation, specifications regarding, signage, size, color, trade dress, presentation of the Marks, fixtures, flooring, and installed equipment.

(x) **Gift Cards.** The proposed transferee must assume the liability for the gift card that are valid and redeemable as of the date of the transfer.

(e) **Permitted Transferee.** Notwithstanding the foregoing, Franchisee may add an additional non-controlling ownership interest in the Franchisee or its Owners if (determined as of the date on which the proposed transfer will occur) if; (1) the proposed transferee and its direct and indirect owners (if the transferee is an entity) are of good character and otherwise meet Franchisor's then applicable standards for a franchisee; (2) Franchisee gives Franchisor prior written notice of the transfer; (3) Franchisee and the new owner execute the documents Franchisor requires to document the additional owner and have such owner agree to be bound by the terms of this Agreement, the personal guaranty, and non-compete agreement, and (4) Franchisee pay us a transfer fee equal to One Thousand Five Hundred Dollars (\$1,500), due at the time Franchisee notifies Franchisor of the transfer. A "non-controlling ownership interest" means an ownership interest that is less than the percentage of the voting rights in an entity necessary to make binding decisions for the entity under its governing documents.

(f) **Transfer to a Wholly Owned Entity.** Notwithstanding anything in this Section to the contrary, if Franchisee consists of one (1) or more individual(s), Franchisee may transfer its interest under this Agreement to a corporation, limited liability company or other legal entity without such a transfer being subject to the restrictions and requirements of this Section 13 so long as: (1) the legal entity is owned entirely by all of the original individual franchisees or personal guarantors hereof; (2) each and all of the obligations of Franchisee and the new legal entity are personally guaranteed by the original individual franchisees or personal guarantors hereof; (3) Franchisor receives prior written notice of the transfer along with a complete set of the new legal entity's filed, date stamped formation documents; and (4) Franchisee and the new legal entity enter into a written assignment and assumption agreement in a form prescribed by Franchisor pursuant to which the new legal entity assumes and agrees to discharge all of Franchisee's obligations under this Agreement.

(g) **Death and Disability.**

(i) **Transfer Upon Death or Disability.** Upon the death or disability of Franchisee or any Owner of Franchisee, Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must transfer Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee,

to a third party (which may be Franchisee's or the Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13. Failure to transfer Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee, within this period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Owner from operating the Franchised Business in the manner required by this Agreement and the Brand Standards Manual or from performing its, his, or her obligations under this Agreement and the Brand Standards Manual.

(ii) **Operation upon Death or Disability.** During the period between death or disability of Franchisee or any Owner of Franchisee and the completion of the transfer described in Section 13(f)(i), the Franchised Business still must be operated in accordance with the terms and conditions of this Agreement. Upon the death or disability of Franchisee or any Owner of Franchisee, Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint an Operations Manager (unless Franchisee or the Owner had previously appointed an Operations Manager who remains responsible for the day-to-day operation of the Franchised Business). Any new Operations Manager must complete Franchisor's standard training program at Franchisee's expense, sign Franchisor's then-current form of confidentiality agreement, and comply with any of Franchisor's then-current requirements for acceptance of an Operations Manager.

(iii) **Step-in on Death or Disability.** Not in lieu of any additional rights Franchisor may have, upon death or disability of Franchisee or any Owner of Franchisee, Franchisor may, but need not, assume operational authority for the Franchised Business's (or appoint a third party to do so) and take possession of the Premises until the transfer pursuant to Section 13(h)(i) is completed. The terms and conditions for the exercise of Franchisor's step-in right are set forth in Section 19(d).

(h) **Non-Waiver.** Franchisor's consent to a transfer of any interest in Franchisee or the Franchised Business granted through this Agreement will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

14. Covenant Against Unfair Competition.

(a) **Franchisee's Covenant Against Unfair Competition – During Initial Term.** Franchisee acknowledges it will receive valuable, specialized training and Confidential Information (as defined in Section 15) regarding the production, service, operational, sales, promotional, and marketing methods of the VIYADA THAI SPA concept that Franchisor has developed through monetary and other resource expenditures that provide competitive advantages to Franchisor's System. During the Initial Term, Franchisee and its Owners will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

- (i) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, salesperson or consultant for, any Competitive Business (as defined in Section 14(f)); or
- (ii) offer or grant franchises or licenses for any Competitive Business; or
- (iii) become a franchisee or licensee of any Competitive Business; or
- (iv) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) **Franchisee's Non-Solicitation Covenant – During Initial Term.** Franchisee acknowledges it will receive customer information and supplier information that is considered Confidential Information of Franchisor. During the Initial Term, Franchisee and its Owners will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

- (i) solicit, divert or attempt to solicit or divert any customer of the Franchised Business at any time during the Initial Term, to any Competitive Business, as Franchisee agrees that all goodwill associated with Franchisee's operation under the Marks and the System, and all customer information associated therewith, inure to Franchisor; or
- (ii) solicit, divert, or attempt to solicit or divert, any supplier that has done business with the Franchised Business to provide supplies, goods, equipment, merchandise, or services to a Competitive Business or to cease providing supplies, goods, equipment, merchandise, or services to VIYADA THAI SPA businesses.

(c) **Franchisee's Covenant Against Unfair Competition – Post-Term.** In partial consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information, Franchisee and each of the Owners covenant and agree that for a period of two (2) years after the termination, expiration, or non-renewal of this Agreement, regardless of the reason for such termination, expiration, or non-renewal ("Restrictive Period"), Franchisee and its Owners shall not, within the Restricted Territory (as defined in Section 14(e) below) engage in any of the following:

- (i) franchise, license, or own an interest in any Competitive Business, including as franchisor, licensor, franchisee or licensee, provided that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this Section 14(c) so long as Franchisee does not own themselves or through their spouses or partners more than one percent (1%) of the securities of such corporation; or
- (ii) engage in any Competitive Business as an officer, director, employee, consultant, manager, or operator, or independent contractor in any capacity in which Franchisee or its Owners would be in a position to use or disclose Confidential Information.

(d) **Franchisee's Non-Solicitation Covenant – Post-Term.** In partial consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information, Franchisee and each of the Owners covenant and agree that during the Restrictive Period,

Franchisee and its Owners shall not, within the Restricted Territory engage in any of the following:

(i) solicit, divert, or attempt to solicit or divert, any supplier that has done business with the Franchised Business within one (1) year of the termination, expiration, or non-renewal of this Agreement to provide supplies, goods, equipment, merchandise, or services to a Competitive Business or to cease providing supplies, goods, equipment, merchandise, or services to VIYADA THAI SPA businesses; or

(ii) solicit, divert or attempt to solicit or divert any person or party who has been a customer of the Franchised Business during the one (1) year period prior to the expiration, termination, or non-renewal of this Agreement, to any Competitive Business.

(e) **Restricted Territory.** For purposes of this Section 14, the term “Restricted Territory” means the following:

(i) An area which is within a 5-mile radius of:

(A) The Location of the Franchised Business as of the date of termination, expiration, or non-renewal of this Agreement (including at the Location), or

(B) The location of any other VIYADA THAI SPA business owned by Franchisor or its affiliates or franchisees as of the date of termination, expiration, or non-renewal of this Agreement (including at those business locations); or

(ii) Only if the foregoing is determined by a court of law to be too broad, an area which is within a 3-mile radius of:

(A) The Location of the Franchised Business as of the date of termination, expiration, or non-renewal of this Agreement (including at the Location), or

(B) The location of any other VIYADA THAI SPA business owned by Franchisor or its affiliates or franchisees as of the date of termination, expiration, or non-renewal of this Agreement (including at those business locations); or

(iii) Only if the foregoing is determined by a court of law to be too broad, the Territory served by Franchisee as that Territory exists on the date of termination, expiration, or non-renewal of this Agreement (including the Location); or

(iv) Only if the foregoing is determined by a court of law to be too broad, at the Location of the Franchised Business.

(f) **Competitive Business.** For purposes of this Section 14, the term “Competitive Business” means any business or commercial activity, other than a VIYADA THAI SPA business authorized by Franchisor, which receives fifteen percent (15%) or more of its revenue from the offering or sale of massage services or any amount of its revenue from Thai massage services.

(g) **Reasonableness.** The foregoing in-term and post-termination covenants against unfair competition with respect to similar Competitive Businesses shall apply regardless of how or why the Agreement terminates, expires, or does not renew. The parties agree that the foregoing covenants contained in this Section 14 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Franchisee or its Owners from earning a living. Franchisee agrees that the scope of activities prohibited in this Section 14, and the length of the term and geographical restrictions in this Section 14, are necessary to protect the legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Franchisee's full, uninhibited, and faithful observance of each of the covenants in this Section 14 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 14 will not impair Franchisee's or its Owners' ability to obtain employment commensurate with Franchisee's or its Owners' abilities or on terms fully acceptable to Franchisee or otherwise to obtain income required for the comfortable support of Franchisee and its Owners and their families, and the satisfaction of the needs of all of Franchisee's and its Owners' creditors. Franchisee's and its Owners' special knowledge of massage therapy (and anyone acquiring this knowledge through Franchisee or its Owners) is such as it would cause Franchisor serious injury and loss if Franchisee or its Owners (or anyone acquiring this knowledge through Franchisee or its Owners) were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or its franchisees. The covenants in this Section 14 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee or any of its Owners may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee or its Owners. In the event of any violation of the provisions of this Section 14, the Restrictive Period shall be extended by a period of time equal to the period of the violation. Franchisee and Franchisor agree that the running of the applicable post-termination Restrictive Period shall be tolled during any period of such violation.

15. Trade Secrets and Confidential Information. Franchisee understands and agrees that Franchisor has disclosed or will hereafter disclose to Franchisee certain Confidential Information. Except as necessary in connection with the operation of the Franchised Business and as approved by Franchisor, Franchisee shall not, during the Initial Term, the First Renewal Term, the Second Renewal Term, or at any time after the expiration, non-renewal, transfer, or termination of this Agreement, regardless of the cause thereof, directly or indirectly, use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity Confidential Information. Franchisee shall disclose to its employees only such Confidential Information as is necessary to operate its business hereunder and then only while this Agreement is in effect. Franchisee will require all personnel having access to any Confidential Information from Franchisor to execute an agreement requiring them to maintain the confidentiality of information they receive in connection with their employment at the Franchised Business. Those confidentiality agreements will be in a form satisfactory to Franchisor. "Confidential Information" means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, e-mail addresses for customers and suppliers;

customer purchase records and mail lists); proprietary massage techniques and goods; training materials; formulas; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manual.

16. Insurance.

(a) Types and Extent of Coverage. Franchisee shall obtain and maintain throughout the Initial Term such insurance coverages with such limits as specified below (or such greater amounts of insurance as may be required by the terms of any lease or mortgage relating to the Premises, or the Brand Standards Manual, which may be amended by Franchisor at any time):

(i) General liability coverage with limits of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in aggregate.

(ii) Professional liability insurance with limits of at least One Million Dollars (\$1,000,000).

(iii) Property damage coverage with an amount to equal 100% of the replacement value of the site, tenant improvements, equipment, and other contents of the business.

(iv) Cyber insurance coverage with limits of at least One Hundred Thousand Dollars (\$100,000)

(v) Business interruption insurance coverage for up to twelve months on an actual loss sustained basis.

(vi) Workers compensation insurance with limits to comply with state law and in no event less than One Million Dollars (\$1,000,000).

(vii) Automobile insurance with limits of at least One Million Dollars (\$1,000,000) to cover owned, hired, or non-owned vehicles.

(viii) Umbrella insurance with an additional limit of at least One Million Dollars (\$1,000,000).

(ix) Employment practice liability insurance with limits of at least One Million Dollars (\$1,000,000).

(b) Other Insurance Requirements. Franchisee shall obtain from a nationally recognized insurance company and at all times during the Initial Term maintain in force and pay the premiums for all types of insurance listed above with complete operations coverage, or, as required by Franchisor, obtain insurance from Franchisor's designated and approved provider. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Franchisor's insurance; (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s)' liability; (iii) shall not contain any special limitations on the scope of coverage afforded to Franchisor; (iv) shall provide that any failure by Franchisee or any of Franchisee's employees, agents, subcontractors, or suppliers, to comply with any notice, reporting, or other similar provisions of such policies shall not affect the coverage provided to Franchisor. From time to time in Franchisor's sole discretion, Franchisor may increase or modify such limits of liability or require additional types of coverage. The insurance policies shall name Franchisor and any affiliates, officers, members, owners, and employees Franchisee designates as an "additional insured" and shall expressly protect both

Franchisor and Franchisee (and any other additional insured) on a primary and non-contributory basis and shall require the insurer to defend both Franchisee and Franchisor (and any other additional insured) in any action while reserving Franchisor's right to involve counsel of Franchisor's own choosing in protection of its own and system wide interests. Additionally, Franchisee's insurance policy must provide a waiver of subrogation in favor of Franchisor, its successors, assigns, officers, shareholders, and employees, thus waiving on behalf of Franchisee's insurer any right of subrogation by the insurance company against Franchisor and Franchisor's officers, shareholders, and employees. Franchisee understands that doing so does not necessarily furnish Franchisee with protection levels adequate to Franchisee's needs and that Franchisee's obligation to indemnify Franchisor as set forth above in this Agreement may exceed the amount of insurance Franchisee is required to obtain or does obtain. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, Franchisee will deliver or caused to be delivered to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required by this Agreement and evidencing that Franchisor is named as an additional insured under such policy on a primary and non-contributory basis as required in this Agreement. At least thirty (30) days prior to expiration of any such policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing that Franchisee has procured proper renewal or replacement coverage with limits not less than those required by this Agreement and reflecting that Franchisor and its affiliates are additional insured under the policy on a primary and non-contributory basis as required herein. All Certificates will expressly provide that at least thirty (30) days' prior written notice will be given to Franchisor in the event of any alteration to, or cancellation of, the coverage evidenced by the Certificates of Insurance. Franchisor, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any claim of liability, and Franchisee agrees to adopt Franchisor's reasonable recommendations to its insurance carrier regarding the settlement of any such claims. Franchisee Indemnifying Parties obligations to indemnify Franchisor Indemnified Parties as separate from and in addition to these insurance obligations.

(c) **Failure to Obtain Insurance.** Should Franchisee for any reason fail to procure or maintain the insurance required by this Agreement, Franchisor will have the right and authority to immediately procure such insurance deemed to be necessary and to charge the amount of the cost to procure and maintain such insurance to Franchisee, along with a reasonable fee of ten percent (10%) of the cost for Franchisor's expenses in procuring the insurance, Franchisor is authorized to collect from Franchisee all insurance related expenses paid on behalf of Franchisee through automatic electronic bank transfers as provided for in Section 3 of this Agreement.

17. Default; Termination.

(a) **Automatic Termination.** Franchisee shall be in default under this Agreement, and this Agreement and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee in the event that (i) Franchisee makes a general assignment for the benefit of creditors or a petition in bankruptcy is filed by Franchisee; (ii) a petition in bankruptcy is filed against and not opposed by Franchisee; (iii) Franchisee is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for Franchisee's business or assets if filed and consented to by Franchisee; (v) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceeding for a composition with creditors

under any state or federal law should be instituted by or against Franchisee; (vii) a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless an appeal or supersedeas bond is filed); (viii) Franchisee is dissolved; (ix) any portion of Franchisee's interest in the Franchised Business becomes subject to an attachment, garnishments, levy or seizure by any credit or any other person claiming against or in the rights of Franchisee; (x) execution is levied against Franchisee's business or property; or (xi) the real or personal property of Franchisee's Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

(b) Termination without Opportunity to Cure. Franchisee shall be in default and Franchisor may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the date the notice is deemed received pursuant to Section 22, and in no event longer than five (5) days after Franchisor sent the notice, upon the occurrence of any of the following events:

(i) Franchisee at any time ceases to operate, or fails to respond to communications, or otherwise abandons the Franchised Business for a period of three (3) days without Franchisor's prior written permission; or

(ii) Franchisee forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located or loses the right to possession of the Premises; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee the Premises are damaged or destroyed, then Franchisee shall have forty-five (45) days after either such event in which to apply for Franchisor's acceptance to relocate or reconstruct the premises (which acceptance shall not be unreasonably withheld), provided, Franchisee shall either relocate or commence and diligently pursue reconstruction of the Franchised Business within sixty (60) days after the event; or

(iii) Except as otherwise permitted in this Agreement, any Owner of more than ten percent (10%) interest in Franchisee transfers all or part of such interest or Franchisee transfers any interest in the Franchised Business or a material portion of the assets of the Franchised Business or Franchisee; or

(iv) Franchisee, the Operations Manager, or any Owner of more than ten percent (10%) of Franchisee is convicted of, or pleads guilty or no contest to, (A) a felony, (B) a crime involving moral turpitude, (C) a crime harming children, (D) theft, (E) fraudulent conduct, or (F) any other crime or offense that is reasonably likely to have an adverse effect on the Chain, the Marks or the goodwill associated therewith, or Franchisee or an Owner is proven to have engaged in any of the above; provided, that if the act or conviction involves an Owner, Franchisor will not terminate this Agreement if Franchisee notifies Franchisor promptly after it learns of the event constituting the default, and within fifteen (15) days of the date of the notice, either (a) the person or entity that committed the wrongful act divests his or its entire interest in Franchisee, or (b) Franchisee obtains Franchisor's consent for such Owner to maintain his or its ownership interest; or

(v) An approved transfer is not effected within six (6) months of the death or disability of any individual Franchisee; or the death or disability of any Owner of Franchisee; or

(vi) Twice within a twelve (12) month period or three (3) times within a three (3) year period, Franchisee is given notice of being in default under any of the terms or requirements of this Agreement, whether or not such defaults are timely cured after notice; or

(vii) Franchisee or any Owner fails to comply with any of the covenants of Franchisee or an Owner set forth in this Agreement; or

(viii) Franchisee, an Owner, or an Operations Manager makes any misrepresentation to Franchisor or breaches any warranty of representation made to Franchisor, whether in this Agreement or otherwise; or

(ix) Franchisee knowingly or intentionally maintains false books or records or knowingly submits any false records, statement or report to Franchisor; or

(x) Franchisee, an Operations Manager, any Owners, or Franchisee employees, by act or omission, materially impairs the value of, or the goodwill associated with, the Chain, any of the Marks or the System; or

(xi) Franchisee, an Operations Manager, or any Owner takes, withholds, misdirects, or appropriates for Franchisee's own use any funds from Franchisee's employees' wages for employees' taxes, FICA, insurance or benefits, or generally fails to deal fairly and honestly with Franchisee's employees or customers; or

(xii) Franchisee loses or is denied any federal, state or local license that Franchisee must possess in order to operate the Franchised Business; or

(xiii) Franchisee, after curing a default pursuant to Section 17 of this Agreement, commits the same act of default again within six (6) months; or

(xiv) Any of the following occur prior to the opening of the Franchised Business (1) any representations or warranties of Franchisee and/or the Operations Manager prove to be inaccurate or false, (2) the Operations Manager or Operating Principal fails to take or pass any of Franchisor's required training, (3) the Operations Manager and/or Owner fails to pass any credit or character check performed by or on behalf of Franchisor, and/or (4) Operations Manager, Operating Principal, and/or Franchisee fail to timely or diligently perform any duties or obligations during the period prior to the opening date; or

(xv) Franchisee begins operation of the Franchised Business prior to receiving prior written approval from Franchisor that Franchisee may open for business; or

(xvi) Franchisee operates under any trademark not approved by Franchisor or otherwise uses any trademark not approved by Franchisor in the operation of the Franchised Business ; or

(xvii) Franchisee (1) uses unauthorized goods and services, (2) sells unauthorized goods and services, (3) uses an unauthorized supplier, or (4) fails to use an authorized supplier, in connection with the Franchised Business; or

(xviii) Franchisee or any Owner or Operations Manager commits a default which cannot be cured.

(c) **Termination After Opportunity to Cure.** Except for those defaults provided for under Sections 17(a) or 17(b), Franchisee shall be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or in any Brand Standards Manual, policy and procedure statement or other written document provided by Franchisor, or to carry out the terms of this Agreement in good faith. For such defaults, Franchisor will provide Franchisee with written notice and fifteen (15) days to cure or, if a default cannot reasonably be cured within fifteen (15) days, to initiate within that time substantial and continuing action to cure such default and to provide Franchisor with evidence of such actions. If the defaults specified in such notice are not cured within the fifteen (15)-day period, if substantial and continuing action to cure has not been initiated, or if the default is not curable, Franchisor may, at its option, terminate this Agreement upon written notice to Franchisee. Such defaults shall include, without limitation, the occurrence of any of the following events:

(i) Franchisee fails to construct or remodel the Franchised Business, identify a site for the Premises, have the Premises lease accepted by Franchisor (if applicable), or to commence operating the Franchised Business, all in accordance with this Agreement, including the timelines; or

(ii) Franchisee fails, refuses, or neglects to promptly pay any monies owing to Franchisor, its affiliates or the Brand Fund contribution when due or to submit the financial or other information required under this Agreement; or

(iii) Any Owner of ten percent (10%) or less of Franchisee makes a transfer of such interest in violation of this Agreement; provided, however, that Franchisee's right to cure such a default shall be conditioned upon Franchisee immediately notifying Franchisor of the improper transfer and taking all actions necessary to either (a) obtain Franchisor's approval thereof, or (b) if approval is not desired or the transfer or transferee is not approved by Franchisor, to re-acquire the interest so transferred; or

(iv) A threat or danger to public or customer health or safety results from the construction, maintenance, or operation of the Franchised Business or Franchisee permits its contractors and employees to engage in dangerous or negligent activities at the Premises; or

(v) Franchisee, its Owners, the Operations Manager, or employees misuses or makes any unauthorized use of the System or the Marks; or

(vi) Franchisee, an Owner, or an Operations Manager commits acts of abuse, abuses customers, uses illegal drugs or abuses alcohol, or permits unlawful activities at Franchisee's business; or

(vii) Franchisee submits to Franchisor on two or more separate occasions at any time during the Initial Term or any renewal hereof, any reports or other data, information or supporting records which understate the Gross Sales of the Franchised Business, the

Royalties and/or any other sums owed to Franchisor for any period of, or periods aggregating, two or more weeks; or

(viii) Franchisee fails make prompt payment of undisputed bills, invoices or statements from suppliers of goods and services; or

(ix) Franchisee fails to provide goods and services to customers according to Franchisor's standards; or

(x) Franchisee fails to have sufficient funds in the Account; or

(xi) Franchisee appoints an Operating Principal, Operations Manager or Lead Therapist who is not accepted by Franchisor or who fails to meet Franchisor's requirements for the position, or fails to have an Operating Principal, Operations Manager, or Lead Therapist at all times during the Agreement (subject to the sixty (60) day period to find a replacement); or

(xii) Franchisor receives repeated customer complaints about the Franchised Business; or

(xiii) Franchisee maintains false books or records submits any false records, statement or report to Franchisor.

(d) **Relief in Equity.** Franchisee agrees that neither termination of this Agreement nor an action at law, nor both, would be an adequate remedy for a breach or default by Franchisee, or by any other persons bound by this Agreement, in the performance of any obligation relating to Franchisor's Marks or indicia, the trade secrets revealed to Franchisee in confidence pursuant to this Agreement or the obligations of Franchisee and such other persons upon and after termination of this Agreement. The parties therefore agree that in the event of any such breach or default, in addition to all other remedies provided elsewhere in this Agreement or by law, Franchisor shall be entitled to relief in equity from a judge, at its option, (including a temporary restraining order, temporary or preliminary injunction and permanent mandatory or prohibitory injunction) to restrain the continuation of any such breach or default or to compel compliance with such provisions of this Agreement.

(e) **Termination by Franchisee.** If Franchisor fails to perform any material obligation imposed upon it by this Agreement, and such failure is not cured within ninety (90) days after Franchisee delivers written notice of such failure to Franchisor, then, provided Franchisee is otherwise compliant with Franchisee's obligation under this Agreement and any other agreement with Franchisor, Franchisee may terminate this Agreement at any time thereafter by delivering thirty (30) days' written termination notice to Franchisor. If Franchisee terminates this Agreement under this provision, Franchisee must follow the post-termination procedures as set forth in Article 18 for the orderly wind-down of the Franchised Business during the thirty (30) day period.

(f) **Limitation of Services or Benefits; Territory Modification.** Franchisor shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to the terms hereof, including, without limitation, eliminating Franchisee's right to use any of Franchisor's Online Presence(s),

eliminating any website or other Online Presence, Franchisor has created for Franchisee, limiting access to training and training materials, restricting or removing Franchisee's right to purchase goods directly or indirectly from Franchisor or its affiliates, limiting Franchisor's advertising and promotional assistance, and restricting or removing Franchisee's right to use any Computer Systems which are provided by or are proprietary to Franchisor or its affiliate. Likewise, Franchisor shall have the right to modify (including eliminate) Franchisee's Territory size, scope, and protections if Franchisee is in default under this Agreement. Nothing in this Section constitutes a waiver of any other right or remedy of Franchisor under this Agreement. If Franchisee defaults under this Agreement, Franchisor has the right to modify Franchisee's Territory and the protections described in in Section 5. Franchisee acknowledges that Franchisor's exercise of its rights pursuant to this Section shall not be deemed a constructive termination. Any services, Territory protections, or benefits removed or limited pursuant to this Section may be reinstated at any time in Franchisor's sole discretion.

(g) Cross-Defaults. Any default by Franchisee (or any Owner or affiliate of Franchisee) under this Agreement shall be a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any Owner or affiliate of Franchisee). Any such default under any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any Owner or affiliate of Franchisee) shall be a default under this Agreement. Any default by Franchisee (or any Owner or affiliate of Franchisee) under any lease, sublease, loan agreement, or security interest may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between Franchisee (or any Owner or affiliate of Franchisee) and Franchisor (or any affiliate of Franchisor).

(h) Extended Cure Period. Notwithstanding anything to the contrary in this Agreement, Franchisor reserves the right to grant to Franchisee in Franchisor's sole discretion an extended cure period for any breach. Franchisee acknowledges that Franchisor's decision to grant such an extended cure period shall not operate as a waiver of any of Franchisor's rights and that Franchisor can choose to condition such an extension upon the signing of a general release by Franchisee; Owners; guarantors of Franchisee; and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns.. If any law applicable to this Section requires a longer notice period prior to termination of this Agreement than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

(i) Damages. Franchisee shall promptly reimburse Franchisor upon request for any damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default under this Agreement. Such damages may also include costs to collect amounts owed to Franchisor or its affiliate.

(j) Notice. Franchisee hereby authorizes Franchisor to notify any lender, creditor, customer, supplier, or landlord of Franchisee or the Franchised Business upon the occurrence of any default under this Section 17(a)-(c), or any event or circumstances which the giving or notice or passage of time or both would constitute an event of default under this Section 17(a)-(c), and to

otherwise communicate with such lenders, creditors, customers, suppliers, or landlords with respect to any such default, or any such event or circumstance.

(k) **Step-In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to meet any of the requirements of this Agreement or upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to, assume operational authority for the Franchised Business (or appoint a third party to do so) and take possession of the Premises until such time as Franchisor determines that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. The terms and conditions for the exercise of Franchisor's step-in right are set forth in Section 19(d).

18. Obligations upon Termination, Expiration, or Non-Renewal.

Upon termination, non-renewal, or expiration of this Agreement for any reason, all rights granted hereunder to Franchisee shall terminate and revert to Franchisor, and Franchisee shall have the following obligations with respect to the Franchised Business:

(a) **Cease to Operate.** Franchisee shall immediately cease to operate the business licensed under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as VIYADA THAI SPA franchisee with respect to such business.

(b) **Cease to use Information.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, all trade secrets, Confidential Information, methods, procedures and techniques used by or associated with the System, and the proprietary Marks VIYADA THAI SPA and all other Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the VIYADA THAI SPA Chain.

(c) **Cease to use Marks and Trade Dress.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, the Mark "VIYADA THAI SPA" and all other Marks and distinctive forms, slogans, signs, symbols, logos, trade dress, décor, branding materials, and devices associated with the VIYADA THAI SPA Chain and System. If Franchisor does not exercise its rights to purchase as described in this Section 18, Franchisee shall de-identify the Premises within fifteen (15) days of the notice from Franchisor that Franchisor is not going to exercise its rights. The de-identification procedures include removing all references to VIYADA THAI SPA, complying with Franchisor's instructions to remove trade dress items, branding items, signage, color schemes, fixtures, and décor items from the Franchised Business.

(d) **Return Franchisor's Property.** Franchisee shall immediately return to Franchisor any property held or used by Franchisee which is owned by Franchisor, including the Customer Lists, Franchised Business Data, and shall cease to use, and either destroy or convey to Franchisor, all inventory, supplies, designs, signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks. Franchisee shall deliver to Franchisor all login credentials associated with any Online Presence, directory, marketing, website, point-of-sale, social media, and all other accounts and systems affiliated with the Franchised Business. Franchisee shall immediately deliver to Franchisor all Brand Standards Manual, policy and procedure statements, instructions, Brand Standards Manual, and other materials related to operating the Franchised Business, including, without limitation, Franchised Business Data,

brochures, charts and any other materials provided by Franchisor and all copies thereof, and shall neither retain nor convey to another any copy or record of any of the foregoing.

(e) **Cancel Assumed Names.** Franchisee shall take such actions as may be necessary to cancel any assumed name or similar registration which contains the mark VIYADA THAI SPA or any other Marks of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with its obligation within thirty (30) days after termination, non-renewal, or expiration of this Agreement.

(f) **Pay Amounts Due.** Franchisee shall promptly pay all sums owed to Franchisor upon request. Such sums shall include all damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and the termination under this Agreement and costs to collect any amounts owed. Any outstanding obligations to Franchisor shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by Franchisee located on the Premises on the date this Agreement is terminated, expires, or does not renew.

(g) **Pay Subsequent Amounts Due.** Franchisee shall promptly pay to Franchisor all damages, costs, and expenses including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement, including collection of amounts due to Franchisor.

(h) **Cooperate with Franchisor's Rights.** Franchisor shall have the option, to be exercised within thirty (30) days of termination, non-renewal, or expiration of this Agreement, to assume any of Franchisee's Online Presences, assumed name or equivalent registration and business licenses, telephone numbers, telephone directory listings and advertisements (whether in print or part of an Internet directory), and e-mail addresses and/or Internet domain names which contain the Mark of Franchisor or its affiliates, and Franchisee shall sign all documents necessary to permit Franchisor to assume Franchisee's rights in such items. If Franchisor elects not to exercise this option, Franchisee shall take all action necessary to cancel each of the items listed above and shall furnish Franchisor with evidence satisfactory to prove its compliance within fifteen (15) days after receiving notice of Franchisor's termination or expiration of this Agreement and the expiration of the option granted herein. In the event Franchisee fails to timely do so, Franchisor shall have the right, for which purpose Franchisee hereby appoints Franchisor as its attorney-in-fact, to obtain such cancellation on Franchisee's behalf and at Franchisee's expense.

(i) **Comply with Covenants.** Franchisee and its Owners shall comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete or solicit and the covenants not to disclose trade secrets or confidential information.

(j) **Cooperate with Premises Rights - Lease.** Franchisee shall, if Franchisor so requests, assign to Franchisor or its designee any interest which Franchisee has in any lease for the Premises or any other agreement related to the Premises. Franchisee will do whatever is necessary to effectuate and complete the assignment.

(k) Cooperate with Premises Rights – Owned Property. Franchisee shall, if Franchisor so requests and if Franchisee owns the real property on which the Franchised Business is located, lease the Premises to Franchisor on substantially the same terms and conditions contained in Franchisee's lease for the Premises, or if no lease exists or if the existing lease is not commercially reasonable, then on commercially reasonable terms. The lease shall be for an initial ten (10) year term, with two (2) five (5) year renewal terms (at Franchisor's option). If the parties cannot agree on the rent to be charged under the lease within thirty (30) days after the expiration, termination, or non-renewal of the Agreement, the rent will be determined by a qualified independent appraiser. Franchisee and Franchisor shall each present their proposed rent, and the independent appraiser will select the most commercially reasonable rent from the two proposals. The independent appraiser's determination will be binding on the parties. If the parties are not able to agree on an independent appraiser within forty-five (45) days of the termination, non-renewal, or expiration of this Agreement, each party will select an independent appraiser. The independent appraisers chosen will then select a third independent appraiser whose determination will be binding on the parties. The parties agree to select their respective appraisers within fifty-five (55) days after the termination, non-renewal, or expiration of this Agreement and the two appraisers chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party-appointed appraisers is appointed. Franchisor and Franchisee will bear the cost of their own appraisers and share equally the reasonable fees and expenses of the third appraiser. The parties will take reasonable actions to cause the third appraiser to complete his or her appraisal within fifteen (15) days after the third appraiser's appointment. During the period when the parties are determining the rent and having the appraisal, Franchisor shall have the right to occupy the Premises. Promptly after the determination of the rent, Franchisor shall pay the rent due for the time it occupied the Premises while the rent was being determined. If an independent appraiser is not available to perform the services described above, then the parties shall use the services of a mutually agreeable commercial real estate broker with at least ten (10) years of experience in the market of the Premises.

(l) Cooperate with Purchase Rights. If Franchisor requests, Franchisee shall sell to Franchisor any assets used in connection with the operation of Franchisee's Franchised Business. Franchisor has the right, but not the obligation, to exercise this right by providing Franchisee written notice of Franchisor's election within sixty (60) calendar days after the termination, non-renewal, or expiration of this Agreement and paying Franchisee the book value for such assets within sixty (60) calendar days of such notice. For purposes of this paragraph, "book value" means the amount Franchisee actually paid for the asset less depreciation (calculated by using the straight-line depreciation method on a ten (10) year depreciation schedule irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any assets that is subject to a lease or finance agreement, the purchase price of such assets shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to assets or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Franchised Business, or Franchisor may require that Franchisee close the Franchised Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Franchised Business. Franchisor will be entitled to all customary warranties and

representations in connection with Franchisor's purchase of Franchisee's assets, including, without limitation, representations and warranties as to ownership and condition of and title to the assets; liens and encumbrances on the assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. Franchisor may purchase all or only a portion of the assets of the Franchised Business and may exclude from its purchase any assets or cash, for any reason, in Franchisor's sole discretion. Franchisor shall have the right to set off and apply any amounts due to Franchisee pursuant to this subsection against any and all other amounts which may be due from Franchisee to Franchisor.

(m) **Computer Systems and Customer List.** Franchisee shall comply with Franchisor's instructions relating to the Computer Systems, Franchised Business Data, and the Customer List.

(n) **Gift Card.** Franchisee shall, within thirty (30) days of the early termination of this Agreement for any reason (meaning termination prior to the expiration of the Initial Term) pay to Franchisor an amount equal to the valid and redeemable gift cards as of the date of termination.

(o) **Existing Membership Agreements.** Upon the expiration, non-renewal, or termination of this Agreement, all membership agreements entered into by Franchisee shall be automatically terminated, unless Franchisee receives notice that they should be assigned to Franchisor or its designee without compensation. At Franchisor's option, Franchisor may require Franchisee to contact all parties to such membership agreement in writing and notify the parties that: (1) this Agreement has terminated and (2) the membership agreements are terminated. Franchisee shall issue pro-rata refunds to all members within thirty (30) days of termination of the membership agreement under this Section 18(o). Franchisee shall comply with any law applicable to the membership agreements. To the extent that Franchisee's obligations under this Section 18(o) are in conflict with the requirements under any law, the requirements of the law shall apply.

In the event Franchisee does not comply with the above requirements, Franchisor may enter the Premises, without being guilty of trespass and without incurring any liability to Franchisee, to undertake these post-termination obligations, including removing all signs, trade dress, equipment, and other items identifying the Premises as a VIYADA THAI SPA Franchised Business and to make such other modifications as are reasonably necessary to protect the Marks and the System and to distinguish the Premises from VIYADA THAI SPA businesses.

19. Independent Contractor; Indemnification.

(a) **Independent Contractor.** It is understood and agreed by the parties that this Agreement creates only a contractual relationship between the parties subject to the normal rule of contract law. This Agreement does not create a fiduciary relationship between the parties and Franchisee is and shall remain an independent contractor. Franchisee agrees to hold itself out to the public as an independent contractor, separate and apart from Franchisor. Franchisee agrees that it shall not make any contract, agreement, warranty, or representation on Franchisor's behalf without Franchisor's prior written consent, and Franchisee agrees that it shall not incur any debt or other obligation in Franchisor's name. This Agreement shall not be deemed to confer any rights or benefits to any person or entity not expressly named herein.

(b) Indemnification.

(i) Franchisee's Obligation to Indemnify. Franchisee, Owners, and Guarantors ("Franchisee Indemnifying Parties") agree to fully protect, indemnify, defend, reimburse, and hold Franchisor; Franchisor's predecessors, affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), or arising from, any of the following: (1) Franchisee Indemnifying Parties' actual or alleged violation of any law, rule, regulation, or ordinance; (2) damage to property; (3) injury to or death or disability of any person; (4) negligence, recklessness, misconduct, or criminal conduct by the Franchisee Indemnifying Parties', the Operations Manager, or any of Franchisee's employees or agents; (5) data breaches; (6) Franchisee Indemnifying Parties' breach of this Agreement or any representations and warranties they make herein; (7) infringement of any intellectual property rights; (8) product and equipment recalls; (9) any failure to warn or give instructions related to any goods or services provided by Franchisor Indemnified Parties or by Franchisee; (10) any labor or employment law disputes relating to the Premises or the Franchised Business or claims arising out of Franchisee's employment practices, including claims that any of the Franchisor Indemnified Parties are the employer, joint employer, or co-employer of Franchisee or Franchisee's agents, employees, or contractors; (11) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel decisions, including wrongful termination, wage and hour violations, and employee harassment and discrimination; (12) any acts, errors, or omissions of the Franchised Business, the Franchisee Indemnifying Parties, and their employees, contractors, and agents; and (13) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of the Premises, and the Franchised Business. Franchisee Indemnifying Parties agree that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Franchisor Indemnified Parties. Franchisee Indemnifying Parties hereby waive all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee Indemnifying Parties or their employees, contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of the Premises and the Franchised Business

(ii) Indemnification Procedures. Franchisee will also notify Franchisor by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (1) retain counsel of their own choosing to represent them with respect to any claim; and (2) control the response thereto and the defense thereof, including the right to enter into

settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee Indemnifying Parties must reimburse Franchisor Indemnified Parties for all of Franchisor Indemnified Parties' costs, expenses, and all attorneys' fees immediately upon Franchisor Indemnified Parties' request. Franchisee Indemnifying Parties shall not, without the prior written consent of the Franchisor Indemnified Party, (A) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Franchisor Indemnified Parties, or (B) settle or compromise any claim in any manner that may adversely affect the Franchisor Indemnified Parties. Franchisee Indemnifying Parties agree to give their full cooperation to Franchisor Indemnified Parties in assisting with the defense of any such claim. Franchisor Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee Indemnifying Parties' obligations to indemnify Franchisor Indemnified Parties and to hold Franchisor Indemnified Parties harmless. Under no circumstance will Franchisor Indemnified Parties be required to seek recovery from any insurer or other third party or otherwise mitigate Franchisor Indemnified Parties' or the third parties' losses to maintain a claim for indemnification against Franchisee Indemnifying Parties. Franchisee Indemnifying Parties agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnified Parties from Franchisee.

(iii) **Survival.** Any and all of the Franchisee Indemnifying Parties' indemnification obligations under this Agreement shall survive the expiration, non-renewal, or sooner termination of this Agreement.

(c) **Payment of Taxes.** Franchisee shall promptly pay to Franchisor an amount equal to all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on Royalties, any similar taxes or levies, imposed upon or required to be collected or paid by Franchisor or Franchisor's affiliates by reason of the furnishing of goods, intangible property (including trademarks and trade names) or services by Franchisor to Franchisee through the sale, license, or lease of property or property rights provided by this Agreement other than taxes on Franchisor's net income.

(d) **Step-In Rights Generally.** In the event Franchisor exercises its step-in rights in accordance with the terms as set forth above, Franchisee must (in addition to paying all other amounts owed due under this Agreement) reimburse Franchisor or a designated third party for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchised Business including, without limitation, costs of personnel for operating and staffing the Franchised Business and their travel and lodging accommodations, plus Franchisor's Temporary Management Fee. Franchisee agrees that Franchisor or the third party may use monies from the Gross Revenues of the Franchised Business for these reimbursements and fees. If Franchisor (or a third party it appoints) undertakes to operate the Franchised Business pursuant to the exercise of Franchisor's step-in rights, Franchisee Indemnifying Parties agree to indemnify and hold Franchisor Indemnified Parties or the third party (and its representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's or the third party's operation of the Franchised Business. Franchisor (or a third party) has a duty to utilize only reasonable efforts to operate the Franchised Business and will not be liable to Franchisee, Franchisee's Owners, or their respective heirs, beneficiaries, or devisees for any debts, losses, or

obligations the Franchised Business incurs, or to any of Franchisee's or its Owners' creditors for any goods, other assets, or services the Franchised Business purchases, while Franchisor (or a third party) operates it. The Temporary Management Fee shall be the greater of 10% of Gross Revenues or Five Hundred Dollars (\$500) per day ("Temporary Management Fee"). The Franchisee shall pay the Temporary Management Fee for as long as the Franchisor or the third party is operating the Franchised Business. The Temporary Management Fee is due weekly.

20. Franchisee Representations.

(a) EVEN THOUGH THIS AGREEMENT CONTAINS PROVISIONS REQUIRING FRANCHISEE TO OPERATE THE FRANCHISED BUSINESS IN COMPLIANCE WITH FRANCHISOR'S SYSTEM: (1) FRANCHISOR OR FRANCHISOR'S AFFILIATES DO NOT HAVE ACTUAL OR APPARENT AUTHORITY TO CONTROL THE DAY-TO-DAY CONDUCT AND OPERATION OF FRANCHISEE'S BUSINESS OR EMPLOYMENT DECISIONS; AND (2) FRANCHISEE AND FRANCHISOR DO NOT INTEND FOR FRANCHISOR OR FRANCHISOR'S AFFILIATES TO INCUR ANY LIABILITY IN CONNECTION WITH OR ARISING FROM ANY ASPECT OF FRANCHISOR'S SYSTEM OR FRANCHISEE'S USE OF THE SYSTEM OR THE OPERATION OF THE FRANCHISED BUSINESS WHETHER OR NOT IN ACCORDANCE WITH THE REQUIREMENTS OF THE BRAND STANDARDS MANUAL.

(b) IF FRANCHISEE IS A CORPORATION, A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, FRANCHISEE MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES: (1) FRANCHISEE IS DULY ORGANIZED AND VALIDLY EXISTING UNDER THE LAWS OF THE STATE OF ITS FORMATION; (2) FRANCHISEE IS QUALIFIED TO DO BUSINESS IN THE STATE OR STATES IN WHICH THE FRANCHISED BUSINESS IS LOCATED; (3) EXECUTION OF THIS AGREEMENT AND THE DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS IS PERMITTED BY ITS GOVERNING DOCUMENTS; AND (4) FRANCHISEE'S ARTICLES OF INCORPORATION, ARTICLES OF ORGANIZATION OR WRITTEN PARTNERSHIP AGREEMENT SHALL AT ALL TIMES PROVIDE THAT FRANCHISEE'S ACTIVITIES ARE LIMITED EXCLUSIVELY TO THE DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS.

(c) IF FRANCHISEE IS AN INDIVIDUAL, OR A PARTNERSHIP COMPRISED SOLELY OF INDIVIDUALS, FRANCHISEE MAKES THE FOLLOWING ADDITIONAL REPRESENTATIONS AND WARRANTIES: (I) EACH INDIVIDUAL HAS EXECUTED AN AGREEMENT WHEREBY THEY AGREE TO BE BOUND BY ALL THE TERMS OF THIS AGREEMENT; (II) EACH INDIVIDUAL SHALL BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT; AND (III) NOTWITHSTANDING ANY TRANSFER FOR CONVENIENCE OF OWNERSHIP, PURSUANT TO THIS AGREEMENT, EACH INDIVIDUAL SHALL CONTINUE TO BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT.

(d) IF FRANCHISEE IS A CORPORATION, A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, FRANCHISEE HAS PROVIDED TO FRANCHISOR A CURRENT LIST OF ALL OWNERS AND FRANCHISEE AGREES THAT FRANCHISEE WILL ADVISE FRANCHISOR OF ANY AND ALL CHANGES IN OWNERSHIP.

(e) IF FRANCHISEE IS A CORPORATION, FRANCHISEE SHALL MAINTAIN STOP-TRANSFER INSTRUCTIONS AGAINST THE TRANSFER ON ITS RECORDS OF ANY VOTING SECURITIES, AND EACH STOCK CERTIFICATE OF THE CORPORATION SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF THIS STOCK IS SUBJECT TO THE RESTRICTION IMPOSED ON ASSIGNMENT BY FRANCHISOR, PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE CORPORATION IS A PARTY." IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH MEMBERSHIP OR MANAGEMENT CERTIFICATE OR OTHER EVIDENCE OF INTEREST IN FRANCHISEE SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF AN INTEREST IN THIS LIMITED LIABILITY COMPANY IS SUBJECT TO THE RESTRICTIONS IMPOSED ON ASSIGNMENT BY FRANCHISOR PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE LIMITED LIABILITY COMPANY IS A PARTY." IF FRANCHISEE IS A PARTNERSHIP, ITS WRITTEN AGREEMENT SHALL PROVIDE THAT OWNERSHIP OF AN INTEREST IN THE PARTNERSHIP IS HELD SUBJECT TO, AND THAT FURTHER ASSIGNMENT OR TRANSFER IS SUBJECT TO, ALL RESTRICTIONS IMPOSED ON ASSIGNMENT BY THIS AGREEMENT.

(f) FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS OWNER OR BUSINESS.

(g) FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE FRANCHISED BUSINESS;

(h) FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.

(i) FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, THESE INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND THESE INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, THAT BROKER WILL BE SOLELY LIABLE FOR ITS CONDUCT WITH FRANCHISEE EXCEPT THAT FRANCHISOR WILL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT IN ENGAGING THE BROKER. IF LEGISLATION IS ENACTED, OR A REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY THAT PREVENTS FRANCHISEE FROM OPERATING THE FRANCHISED BUSINESS, FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM FRANCHISEE.

21. Governing law, Jurisdiction and Venue.

(a) **Mediation.** Before Franchisee, its Owners, and affiliates and Franchisor or its affiliates may bring an action against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding. Mediation shall be by a mediator mutually agreeable to the parties, and be conducted in accordance with the American Arbitration Association rules for mediation of commercial disputes and held in Boston, Massachusetts. Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation. The non-binding mediation provided for herein shall be commenced by the party requesting mediation ("complainant") providing written notice of the request for mediation ("request") to the party with whom mediation is sought ("respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to Franchisor or its affiliates if Franchisor or its affiliates is not a complainant or respondent. Non-binding mediation commenced under this Section 21(a) shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service. The mediator selected shall have experience in franchise matters.

(b) **Venue.** Franchisee acknowledges that it has and will continue to develop a substantial and continuing relationship with Franchisor at its principal offices in the State of Massachusetts, where Franchisor's decision-making authority is vested and where franchise operations are conducted and supervised. Therefore, Franchisee agrees that in consideration for Franchisor entering this Agreement, Franchisor hereby submits itself to the jurisdiction of the State of Massachusetts. Courts of competent jurisdiction for Boston, Massachusetts shall have exclusive jurisdiction over any and all such legal or equitable dispute(s) between Franchisor and Franchisee not resolved pursuant to Section 21(a) above.

(c) **Injunctive Relief.** Notwithstanding the provisions of Section 21(a), Franchisee agrees that Franchisor, at its option, will have the right to immediately seek preliminary injunctive relief from a court of competent jurisdiction, to restrain any conduct by Franchisee, the Owners, or the guarantors that (i) could materially damage the goodwill associated with the System, the Marks, and the Chain (including but not limited to conduct related to trademark or other intellectual property infringement), (ii) that involves the disclosure or use of Franchisor's Confidential Information, including but not limited to the Customer List, or (iii) that relates to Franchisee's, the Owners', or another's covenants against unfair competition or solicitation. Franchisee agrees Franchisor will not be required to post a bond to obtain any injunctive relief with respect to use of the Marks.

(d) **Prevailing Party, Attorney's Fees and Costs.** The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Franchised Business or Premises, the parties' relationship, or the Franchised Business will be entitled to recover its reasonable costs and expenses (including attorneys' fees, and expert witness fees, costs of investigation and proof of facts, court costs, and litigation expenses) incurred in the prosecution or defense of any such claim, lawsuit, or litigation.

(e) **JURY TRIAL AND CLASS ACTION WAIVER. FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE). NEITHER FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) NOR FRANCHISOR SHALL SEEK TO LITIGATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, THE SALE OF THE FRANCHISE, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO LITIGATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AND FRANCHISOR AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) OR FRANCHISOR, UNLESS BOTH FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AND FRANCHISOR CONSENT IN WRITING. FRANCHISOR HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AGREES AND ACKNOWLEDGES THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN FRANCHISEE (AND FRANCHISEE'S**

OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AND ANY AFFILIATE OF FRANCHISOR WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

(f) WAIVER OF CERTAIN DAMAGES. EXCEPT FOR FRANCHISEE INDEMNIFYING PARTIES' OBLIGATIONS TO INDEMNIFY FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT AND CLAIMS FRANCHISOR BRINGS AGAINST FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) FOR UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF NON-COMPETITION OR NON-SOLICITATION COVENANTS, OR FRANCHISOR'S LOST PROFITS DUE TO EARLY TERMINATION OF THIS AGREEMENT, FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, EXEMPLARY, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED BY THE NON-BREACHING PARTY, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. THE FOREGOING DOES NOT LIMIT THE PARTIES' ABILITY TO SEEK EQUITABLE RELIEF. EXCEPT FOR ANY SPECIFIC WRITTEN WARRANTIES EXPRESSLY PROVIDED IN CONNECTION WITH A SPECIFIC ITEM, FRANCHISOR SHALL NOT BE LIABLE TO ANY PERSON OR ENTITY IN RELATION TO ANY GOODS AND/OR SERVICES (INCLUDING ANY ASPECT OF THE LABOR OR INSTALLATION OF ANY EQUIPMENT, OR PRODUCTS) PROVIDED BY FRANCHISOR, FRANCHISOR'S AFFILIATES AND/OR ANY PERSON/COMPANY REFERRED/APPROVED BY FRANCHISOR OR THEM. SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

(g) Remedies Cumulative. All rights and remedies conferred upon Franchisee and Franchisor by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy.

(h) Governing Law. This Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed under the laws of the State of Massachusetts and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of Massachusetts, which laws shall prevail in the event of any conflict of law. Nothing in this Subsection 21(h) is intended, or shall be deemed, to make any Massachusetts law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee or its affiliates or the Owners, and Franchisor, or Franchisee's operation of the Franchised Business, brought by Franchisee or its affiliates or the Owners, against Franchisor, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

(i) **Survival.** Any and all of the provisions of this Agreement under Section 21 shall survive the expiration, non-renewal, or sooner termination of this Agreement.

22. Notices.

Except as otherwise provided in this Agreement, all notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii) by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for Franchisor, addressed to

Franchisor: Viyada Franchise Group Inc.
ATTN: President
336 Newbury St. 2nd Fl.
Boston, MA 02115

With a copy (which shall not constitute notice) to:

Manning, Fulton & Skinner, P.A.
Attn: Ritchie W. Taylor
3605 Glenwood Avenue, Suite 500
Raleigh, NC 27612

If intended for Franchisee addressed to

The notice address set forth in the Franchise Rider, or,

If Franchisee has opened its Franchised Business, the address of the accepted Location of the Franchised Business, or

in either case, to such other address as may have been designated by notice to the other party. Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, Franchisor may provide the notice described in this section by email or other electronic system to (a) the email address set forth on the Franchise Rider, (b) the email address Franchisor has approved or provided for Franchisee to use with the Franchised Business, or (c) another electronic account that Franchisor has approved or provided for Franchisee to use with the Franchised Business. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless Franchisor receives notice of rejected delivery by the email account or other electronic account.

23. Miscellaneous.

(a) **Severability.** The invalidity or unenforceability of any one (1) or more provision of this Agreement shall in no way affect any other provision. If any court of competent jurisdiction determines any provision of this Agreement to be invalid, illegal or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal or unenforceable portion had never been a part of this Agreement.

(b) **Construction.** All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, as the case may require. All acknowledgements, warranties, representations, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement as Franchisee.

(c) **Entire Agreement.** This Agreement, the documents incorporated herein by reference and the exhibits attached hereto, comprise the entire agreement between the parties and all prior understandings or agreements concerning the subject matter hereof are canceled and superseded by this Agreement. This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to it and that the obligations of Franchisor are confined exclusively to those set forth in this Agreement. Franchisee understands and assumes the business risks inherent in this enterprise. Notwithstanding the foregoing, nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

(d) **Assignees.** This Agreement shall be binding upon the heirs, successors, permitted assigns and legal representatives of the parties.

(e) **Amendments.** Franchisor reserves the right to amend this Agreement if a Franchise Agreement change proposed by Franchisor is agreed to by seventy percent (70%) of the then-current Franchisees. Further, except for those permitted to be made unilaterally by Franchisor, no supplement, amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

(f) **Waivers.** No failure of Franchisor to exercise any right given to it hereunder, or to insist upon strict compliance by Franchisee with any obligation, agreement or undertaking hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand full and exact compliance by Franchisee and shall not affect or impair Franchisor's rights with respect to any subsequent default of the same or of a different nature, nor shall any delay or omission of Franchisor to exercise any right arising from such default affect or impair Franchisor's rights as to such default or any subsequent default. Franchisor has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, or any affiliate of Franchisee or Franchisor, without liability.

(g) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement. This Agreement may, but is not required to, be executed using electronic signatures. Electronic signatures shall be treated for all purposes as originals.

(h) **Headings.** The headings used in the Agreement are for convenience only, and the paragraphs shall be interpreted as if such headings were omitted.

(i) **Time of Essence.** Franchisee agrees and acknowledges that time is of the essence with regard to Franchisee's obligations hereunder, and that all of Franchisee's obligations are material to Franchisor and this Agreement.

(j) **Evolving Agreements.** Franchisee acknowledges that Franchisor has entered, and will continue to enter, into agreements with other Franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and franchisees other than Franchisee may have different rights and obligations does not affect the parties' duty to comply with this Agreement.

(k) **Delegation.** Franchisor shall have the right to delegate Franchisor's duties under this Agreement to any affiliated or non-affiliated entity, agent, or employee and Franchisee agrees to such assignment without any right to approve such actions.

(l) **Final Act.** The last signature applied to this Agreement shall be the signature of Franchisor's officer. The Agreement shall not be binding on Franchisor until signed by Franchisor.

(m) **Fines.** For each instance where Franchisee fails to obtain prior written approval for advertisements, fails to attend required training or franchisor sponsored conventions, offers unauthorized merchandise, goods or services, fails to timely submit a report, fails to timely make a payment due to Franchisor or its affiliates, or otherwise fails to comply with VIYADA THAI SPA system's operating standards including those in the Brand Standards Manual, Franchisor shall, at Franchisor's option, have the right to levy a fine in an amount up to One Thousand Dollars (\$1,000) per occurrence, in addition to Franchisor's inspection and re-inspection costs. The imposition of a fine pursuant to this section shall not act as a waiver of any of Franchisor's other remedies under this Agreement. Furthermore, Franchisor has the right to collect any such fines by means of EFT.

(n) **Covenant of Good Faith.** No covenant of good faith and fair dealing shall be implied into this Agreement, except that if applicable law shall imply such a covenant in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such a covenant, Franchisee acknowledges that (a) this Agreement grants Franchisor the discretion to make decisions, take actions, and refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations hereunder that may favorably or adversely affect Franchisee's interests; (b) Franchisor will use its judgment in exercising such discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of Franchisee and other franchisees within the Chain generally; (c) Franchisor will have no liability to Franchisee for the exercise of its discretion, so long as such

discretion is not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised.

(o) **Modification of Agreement.** If any term or provision, or any portion thereof, of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereto, and Franchisor will have the right, in its sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable.

(p) **Security Agreement.** Franchisee agrees to give no security interests, pledges or encumbrances in Franchisee's inventory, leasehold, fixtures, securities or franchise agreement without the prior written approval of Franchisor, which shall not be deemed a consent to assignment. Franchisor will not unreasonably withhold approval but is legitimately concerned to ensure: (a) that Franchisee not lose the business; (b) that the business not be lost to the franchise system; and (c) that Franchisor not have to defend a claim to franchisee rights by anyone it shall not have agreed to accept as a franchisee. In order to secure the prompt performance of Franchisee's obligations under this Agreement, Franchisee grants Franchisor and Franchisor takes a first priority security interest in all of Franchisee's assets, including without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including Franchisee's rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds. All items in which a security interest is granted are referred to as the "Collateral". This Agreement and the License granted to Franchisee hereunder may not be used by Franchisee as collateral or be the subject of a security interest, lien, levy, attachment or execution by Franchisee's creditors, any financial institution, or any other party, except with Franchisor's prior written approval. The security interest is to secure payment of the following ("Indebtedness"): (a) all amounts due under this Agreement or otherwise by Franchisee; (b) all sums which Franchisor may, at Franchisor's option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which Franchisor incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting Franchisor's rights under the security interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisor executes any extension agreement or renewal instruments. Franchisee will from time to time as Franchisor requires join with Franchisor in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor. Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral. Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor's option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under the Uniform Commercial Code of Massachusetts (or other applicable law), including,

without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth above. This Agreement shall be deemed a security agreement and a financing statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a financing statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

(q) **Policies Subject to Change.** Any policies that Franchisor adopts and implements from time to time to guide Franchisor in its decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor.

(r) **Right to Refuse Approval.** Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold approval of any of Franchisee's proposed, initiated, or completed actions that require Franchisor's approval.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF, parties hereto have duly executed this Agreement on the day, month and year first written above.

Franchisor:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS IN OHIO: 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.

Franchisee:

By: _____

Name: _____

Title: _____

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR
ACCEPTED LOCATIONS IN OHIO**

Notice of cancellation

(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 VIYADA FRANCHISE GROUP INC., 336 Newbury St. 2nd Fl., Boston, MA 02115, 617-383-4318 not later than midnight of _____.

I hereby cancel this transaction.

(Purchaser's Signature)

(Date) _____

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR
ACCEPTED LOCATIONS IN OHIO**

Notice of cancellation

(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 VIYADA FRANCHISE GROUP INC., 336 Newbury St. 2nd Fl., Boston, MA 02115, 617-383-4318 not later than midnight of _____.

I hereby cancel this transaction.

(Purchaser's Signature)

(Date) _____

**ATTACHMENT 1 TO FRANCHISE AGREEMENT
FRANCHISE RIDER**

Initial Franchise Fee. The Initial Franchise Fee, which is due and payable upon execution of this Franchise Agreement, is Thirty-Five Thousand Dollars (\$35,000).

Royalty. Franchisee's Royalty shall be six percent (6%) of Gross Sales. For purposes of this Attachment 1, "Gross Sales" shall mean the total of gross revenue derived from the operation of the Franchised Business, including, but not limited to, revenue from services rendered by the Franchised Business and from the sale of goods, whether from sales for cash or credit and regardless of the collection thereof. Gross Sales also includes any business interruption insurance proceeds Franchisee receives. Gross Sales does not include sales taxes or gift card sales. For items sold pursuant to authorized coupons or other discounts, "Gross Sales" also excludes the amount discounted from the purchase price of such item. Royalties on gift cards are assessed when the gift card is redeemed.

Notice Address. The following address is Franchisee's address under Section 22 of the Franchise Agreement.

Franchisee's Address for Notice:

Email Address: _____

Already-Accepted Location and Territory (If Applicable). If the Location has already been selected by Franchisee and accepted by Franchisor, then the following are Franchisee's Location and Territory for the term of the Franchise Agreement:

Location: _____

Territory: _____

Unassigned Location and Territory (If Applicable). If no Location has been determined at the time the Franchise Agreement is executed, then the Location will be within the following area, provided the exact location will be subject to Franchisor's review and approval: _____ ("Prospective Market Area"). If the Location has not been accepted by Franchisor at the time the Franchise Agreement is executed, Franchisor reserves the right to sell franchises—and grant territories to others—in and around the Prospective Market Area. Franchisee may then be required to choose a final location outside of any protected territory given to any other franchisee, and that territory may be outside of the Prospective Market Area set forth above. When Franchisee selects its desired location for the Franchised Business, Franchisee must follow the approval process set forth in the Franchise Agreements and the Brand Standards Manual. If Franchisee obtains Franchisor's acceptance of the proposed location, Franchisor will send Franchisee its form site selection acceptance letter ("Site Selection Acceptance Letter"). The location and territory set forth in the Site Selection Acceptance Letter shall constitute the "Location" and "Territory" of the Franchised Business.

ATTACHMENT 2 TO FRANCHISE AGREEMENT LEASE RIDER

This Lease Rider is executed as of this date of _____, by and between _____ (“Tenant”) and _____ (“Landlord”) as a Rider to the lease dated _____ (as amended, renewed, and/or extended from time to time, the “Form Lease”) for the Premises located at _____ (“Premises”).

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Form Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control.

1. **Permitted Use.** The Premises are leased to Tenant for the operation of a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services. The Tenant may also use the Premises for promotions, celebrations, meetings, and other group functions where Tenant’s services and goods will be offered or sold. Landlord covenants that from and after the date hereof, Landlord shall not permit any other tenant to operate a business in the same shopping center as the Premises that receives fifteen percent (15%) or more of its Gross Sales from the offering and sale of massage services.

2. **Signage.** Notwithstanding anything contained within the Form Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary marks and identification on both the exterior and within the interior of the Premises as approved by VIYADA FRANCHISE GROUP INC., franchisor of the VIYADA THAI SPA concept (“**Franchisor**”).

3. **Assignment and Subletting.** Landlord’s consent to an assignment of the Form Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant’s assets or business or an assignment or sublet, or as otherwise provided for in the Franchise Agreement between Franchisor and Tenant to Franchisor, any parent, subsidiary or affiliate of Tenant or affiliate of Franchisor, or another VIYADA THAI SPA franchisee. Landlord shall approve as an assignee or sublettee any tenant who has become a transferee of the Franchise Agreement by and between Tenant and Franchisor (“Franchise Agreement”) as a result of a merger, reorganization or sale of all or substantially all of Tenant’s assets, or as otherwise provided for in the Franchise Agreement between Franchisor and Tenant. Tenant shall also have the right, without the consent of Landlord, to assign the Form Lease to: (i) a company incorporated or to be incorporated by Tenant; (ii) a limited liability company formed or to be formed by Tenant; or (iii) a partnership formed or to be formed by Tenant, provided that Tenant owns or beneficially controls: (i) a majority of the issued and outstanding shares of capital stock of the company; (ii) a majority of the membership interest in the limited liability company; or (iii) or is the managing general partner of the partnership.

4. **Notices; Opportunity to Cure.** Copies of any demand letters, default notices or other similar notices of non-compliance (“**Notice**”) sent by Landlord to Tenant shall also be sent to Franchisor at the following address:

Viyada Franchise Group Inc.
Attn: Chief Executive Officer
336 Newbury St. 2nd Fl.
Boston, MA 02115

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease.

5. Option to Lease. Landlord hereby agrees that, (i) in the event of the termination, non-renewal, or expiration of the Franchise Agreement by and between Tenant and Franchisor; (ii) the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods; (iii) in the event of Tenant's failure to exercise any extension option contained in the Form Lease, (iv) upon the expiration of the Form Lease and any rights to extension or renewal; or (v) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease;

(b) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee elects to lease the Premises, Franchisor shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after (1) termination, non-renewal, or expiration of the Franchise Agreement; (2) Franchisor's receipt of Notice from Landlord that the Form Lease has been terminated; (3) receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease; or (4) Notice from Landlord that the Form Lease and any rights to extension or renewal will expire;

(c) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee elects to lease the Premises under any of the conditions set forth in 5(i) to (v) above, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee shall sign and deliver to Landlord a lease containing all of the same terms and conditions (including rental rates, terms and remaining options to extend the term of the Form Lease) as are contained in the Form Lease; provided, however, that such party's leasehold interest shall not be subject to any defaults or claims that may exist between Landlord and Tenant and any such lease shall permit Franchisor or any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee to assign the lease or sublease the Premises to a franchisee of Franchisor for use as a VIYADA THAI SPA franchised location; and

(d) Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Form Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Form Lease.

6. De-identification. Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as a VIYADA THAI SPA franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination, non-renewal, or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's sole cost and expense.

7. Assignment of Interest. This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another VIYADA THAI SPA franchisee are intended beneficiaries of this Rider, provided Franchisor shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

8. Non-disturbance from Mortgage Lenders. It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

9. Security Interest. Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

LANDLORD:

TENANT:

By: _____

By: _____

Its: _____

Its: _____

Name: _____

Name: _____

Agreed to:

FRANCHISOR:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

**ATTACHMENT 3 TO FRANCHISE AGREEMENT
INTERNET, SOCIAL MEDIA, AND TELEPHONE ASSIGNMENT**

This Assignment Agreement (“Assignment”) is made, and entered into, between VIYADA FRANCHISE GROUP INC. (“Franchisor”) and the undersigned Franchisee (“Franchisee”).

A. Franchisor has developed a unique system for the establishment and operation of a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services (“System”).

B. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ (“Franchise Agreement”), pursuant to which Franchisee was granted the right to operate a VIYADA THAI SPA business (“Franchised Business”) under the System.

C. It is the desire of and in the best interests of Franchisor and the System that in the event the Franchise Agreement terminates, expires, or is not renewed, the telephone numbers (including personal cellphone numbers), telephone directory listings, internet addresses, and social media accounts used by Franchisee in connection with the operation of its VIYADA THAI SPA Franchised Business are assigned to Franchisor.

NOW THEREFORE, in consideration of the foregoing and Franchisor agreeing to enter into the Franchise Agreement, Franchisor and Franchisee agree as follows:

1. Franchisee hereby agrees to assign to Franchisor: (i) those certain telephone numbers, including any personal or other cellphone numbers used in connection with the Franchised Business, and regular, classified or other telephone directory listings used by Franchisee in connection with operating the VIYADA THAI SPA Franchised Business, (ii) all e-mail addresses that use the Marks or that are used by Franchisee in connection with the operation of the Franchised Business, (iii) any Online Presence (as that term is defined in the Franchise Agreement) which uses the Marks, which Franchisee uses in connection with the operation of the Franchised Business, or which Franchisee has been permitted by Franchisor to create, and (iv) all rights, title, and interest in the content of any Online Presence, whether now-existing or adopted by Franchisee in the future (collectively the “Listings”).

2. This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee’s use of the Listings unless and until Franchisor notifies the telephone company, listing agencies, internet service providers, or other parties that provide the Listings (collectively, the “Providers”) to effectuate the assignment pursuant to the terms hereof.

3. Upon termination, expiration, or nonrenewal of the Franchise Agreement (without renewal or extension), Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to Franchisor, Franchisor’s affiliates, or Franchisor’s approved suppliers under existing contracts for the Listings and immediately, at Franchisor’s request, (i) take any

other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect, cancel, delete, remove, or discontinue the Listings; (iv) relist any Listing in a different location or with a new provider, whether published or online; (v) modify the Listing and any content in the Listing; (vi) provide all login or other access credentials to the Listings; and/or (vii) cooperate with Franchisor or its designated agent in undertaking any or all of the foregoing.

4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any Provider to transfer or modify such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, termination, or nonrenewal of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

5. The parties agree that the Providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination, expiration or nonrenewal of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon a Provider's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Providers require that the parties execute the Providers' assignment forms or other documentation at the time of termination, expiration or nonrenewal of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination, expiration, or non-renewal of the Franchise Agreement.

6. The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

Agreed to this date of _____.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

ATTACHMENT 4 TO FRANCHISE AGREEMENT
PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE
TERMS AND CONDITIONS OF THE OF FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement (the “Agreement”) between VIYADA FRANCHISE GROUP INC. (“Franchisor”) and _____ (“Franchisee”) dated of even date herewith, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by Franchisee, including without limitation the dispute resolution and indemnification provisions of the Agreement.

Further, except for those designated as “Spouse” and not “Owner” in the signature block below, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete, non-solicit, dispute resolution, and indemnification provisions, and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned’s liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other guarantors of Franchisee. The undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so. Franchisor may proceed against the undersigned and Franchisee jointly and severally, or Franchisor may, at its option, proceed against the undersigned, without having commenced any action, or having obtained any judgment against Franchisee. The undersigned agrees to pay all reasonable attorneys’ fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

In addition, the undersigned consents and agrees that: (1) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by Franchisee’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; (3) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Personal Guaranty, which shall be continuing and irrevocable during the term of the Agreement; and (4) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

The undersigned waive: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may

have to require that an action be brought against Franchisee or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreement or agreed to by Franchisee.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of Franchisor's successors and assigns.

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

GUARANTOR(S):

Signature: _____
Name: _____
Address: _____

Owner or Spouse: _____

Signature: _____
Name: _____
Address: _____

Owner or Spouse: _____

Signature: _____
Name: _____
Address: _____

Owner or Spouse: _____

**ATTACHMENT 5 TO FRANCHISE AGREEMENT
NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into as of _____ ("Effective Date") by and between VIYADA FRANCHISE GROUP INC., a Massachusetts corporation ("Franchisor"), and _____ ("Associate"), who resides at _____. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

A. Franchisor is engaged in the business of franchising businesses operating a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services ("Franchised Business"). The businesses are operated under Franchisor's trademark "VIYADA THAI SPA" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting businesses pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor ("System");

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of goods and customer service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with a _____ ("Franchisee"), a franchisee of Franchisor that operates a Franchised Business in _____ in the capacity of an owner, officer, partner, director, or agent of the Franchised Business, or is a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee's Obligations form; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor's Confidential Information.

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

1. Definitions.

(a) "Competitive Business" any business or commercial activity, other than a VIYADA THAI SPA business authorized by Franchisor, which receives fifteen percent (15%) or

more of its revenue from the offering or sale of massage services or any amount of its revenue from Thai massage services.

(b) “Confidential Information” means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, e-mail addresses for customers and suppliers; customer purchase records and mail lists); proprietary massage techniques and goods; formulas; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manual.

(c) “Franchise Agreement” shall mean the franchise agreement between Franchisor and Franchisee, as amended or renewed from time to time.

(d) “Location” shall mean the approved location of Franchisee’s Franchised Business.

(e) “Restricted Territory” shall mean:

i) The Location and any geographic area which is within a 5- mile radius of the Location or any other VIYADA THAI SPA business, whether owned by Franchisee, Franchisor, Franchisor’s affiliates or any other franchisee as of the first date of the Restrictive Period; or

ii) Only in the event the foregoing is determined by a court of law to be too broad, the Location and any geographic area which is within a 3- mile radius of the Location or any other VIYADA THAI SPA business, whether owned by Franchisee, Franchisor, Franchisor’s affiliates or any other franchisee as of the first date of the Restrictive Period; or

iii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory as of the first date of the Restrictive Period; or

iv) Only in the event the foregoing is determined by a court of law to be too broad, the Location as of the first date of the Restrictive Period.

(f) “Restrictive Period” shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate’s association with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(g) “Term” shall mean the period from the Effective Date through the first date of the Restrictive Period.

(h) “Territory” shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that is developed and utilized in connection with the operation of the Franchised Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchised Business, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Unfair Competition. During the Term, Associate will not, without Franchisor’s prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for, any Competitive Business; or

(b) offer or grant franchises or licenses for any Competitive Business; or

(c) become a franchisee or licensee of any Competitive Business; or

(d) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

5. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restricted Territory, engage in any of the following:

(a) franchise, license, or own an interest in any Competitive Business, including as franchisor, licensor, franchisee or licensee, provided that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this

Section 5 so long as Associate does not own themselves or through his or her spouses or partners more than one percent (1%) of the securities of such corporation; or

(b) engage in any Competitive Business as an officer, director, employee, consultant, manager, operator, or independent contractor in any capacity in which Associate would be in a position to use or disclose Confidential Information.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) For Associates that are not an owner or guarantor of Franchisee, the following terms apply: The laws of Massachusetts (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Massachusetts, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Massachusetts. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Massachusetts. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, unless herein defined.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:

FRANCHISOR:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT

NONDISCLOSURE AND NON-SOLICITATION AGREEMENT

This Nondisclosure and Non-Solicitation ("Agreement") is made and entered into as of _____ ("Effective Date") by and between VIYADA FRANCHISE GROUP INC., a _____ Massachusetts corporation ("Franchisor"), and _____ ("Associate"), who resides at _____. All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

A. Franchisor is engaged in the business of franchising businesses operating a premium massage therapy spa offering both western and traditional, authentic Thai massage services and related goods and services ("Franchised Business"). The businesses are operated under Franchisor's trademark "VIYADA THAI SPA" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting businesses pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor ("System");

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of goods and customer service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with a _____ ("Franchisee"), a franchisee of Franchisor that operates a Franchised Business in _____ in the capacity of an owner, officer, partner, director, or agent of the Franchised Business, or is a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty and Assumption of Franchisee's Obligations form; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to non-solicitation of customers, employees, and suppliers. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor's Confidential Information.

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

1. Definitions.

(a) "Competitive Business" means any business or commercial activity, other than a VIYADA THAI SPA business authorized by Franchisor, which receives fifteen percent (15%) or

more of its revenue from the offering or sale of massage services or any amount of its revenue from Thai massage services.

(b) “Confidential Information” means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, e-mail addresses for customers and suppliers; customer purchase records and mail lists); proprietary massage techniques and goods; formulas; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manual.

a) “Franchise Agreement” shall mean the franchise agreement between Franchisor and Franchisee dated as amended or renewed from time to time.

b) “Location” shall mean the approved location of Franchisee’s Franchised Business.

c) “Restricted Territory” shall mean:

i) The Location and any geographic area which is within a 5- mile radius of the Location or any other VIYADA THAI SPA business, whether owned by Franchisee, Franchisor, Franchisor’s affiliates or any other franchisee as of the first date of the Restrictive Period; or

ii) Only in the event the foregoing is determined by a court of law to be too broad, the Location and any geographic area which is within a 3- mile radius of the Location or any other VIYADA THAI SPA business, whether owned by Franchisee, Franchisor, Franchisor’s affiliates or any other franchisee as of the first date of the Restrictive Period; or

iii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory as of the first date of the Restrictive Period; or

iv) Only in the event the foregoing is determined by a court of law to be too broad, the Location as of the first date of the Restrictive Period.

d) “Restrictive Period” shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate’s association with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

e) “Term” shall mean the period from Effective Date through the first date of the Restrictive Period.

f) “Territory” shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that is developed and utilized in connection with the operation of the Franchised Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchised Business, any of the Confidential Information of Franchisor or its affiliates.

4. Covenant Against Solicitation. During the Term, Associate will not, without Franchisor’s prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

a) solicit, divert or attempt to solicit or divert any person or party that is or has been a customer of Franchised Business at any time during the Term, to any Competitive Business, as Franchisee agrees that all goodwill associated with Franchisee’s operation under the Marks and the System, and all customer information associated therewith, inure to Franchisor; or

b) solicit, divert, or attempt to solicit or divert, any supplier that does or has done business with Franchisee to provide supplies, goods, equipment, merchandise, or services to a Competitive Business or to cease to provide supplies, goods, equipment, merchandise, or services to VIYADA THAI SPA businesses.

5. Post-Termination Covenant Against Solicitation. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restricted Territory, engage in any of the following:

a) solicit, divert, or attempt to solicit or divert, any supplier that has done business with the Franchised Business within one (1) year of the Restrictive Period to provide supplies, goods, equipment, merchandise, or services to a Competitive Business, or otherwise or to cease providing supplies, goods, equipment, merchandise, or services to VIYADA THAI SPA businesses; or

b) solicit, divert or attempt to solicit or divert any customer that has done business with or has been a customer of Franchised Business as of the first day of the Restrictive Period or within one (1) year of the Restrictive Period, to any Competitive Business.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) For Associates that are not an owner or guarantor of Franchisee, the following terms apply: The laws of Massachusetts (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Massachusetts, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Massachusetts. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Massachusetts. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, unless herein defined.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:

FRANCHISOR:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

EXHIBIT B-1
LISTING OF CURRENT FRANCHISEES

None.

EXHIBIT B-2
LISTING OF CERTAIN PAST FRANCHISEES

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

None.

EXHIBIT C
FINANCIAL STATEMENTS

Viyada Franchise Group, Inc.

**Independent Auditor's Report
And
Balance Sheet Statement
January 02, 2025**

Table of Contents

Independent Auditor's Report	3
Balance Sheet	5
Notes to Financial Statement	6

Metwally CPA PLLC
CERTIFIED PUBLIC ACCOUNTANT
1312 Norwood Dr STE 100, Bedford, Texas, 76022
Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Stockholders of
Viyada Franchise Group, Inc.

Opinion

We have audited the accompanying balance sheet of Viyada Franchise Group, Inc. (the Company) as of January 02, 2025 and the related notes to the Financial Statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Viyada Franchise Group, Inc. as of January 02, 2025 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 Statement section of our report. We are required to be independent of Viyada Franchise Group, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

Metwally CPA PLLC

Metwally CPA PLLC

Bedford, Texas

January 10, 2025

Viyada Franchise Group, Inc.
January 02, 2025
Balance Sheet

Assets

Current Assets

Cash and cash equivalents	\$ 17,732
---------------------------	-----------

Total Current Assets	<u>\$ 17,732</u>
-----------------------------	-------------------------

Liabilities and Stockholders' Equity

Total Liabilities	<u>\$0</u>
--------------------------	-------------------

Common stock 0.01 par value, 100,000 authorized shares	
--	--

10,000 issued and outstanding	100
-------------------------------	-----

Additional paid in capital	17,632
----------------------------	--------

Total Liabilities and Stockholders' Equity	<u>\$17,732</u>
---	------------------------

The accompanying notes are an integral part of the financial statement.

Viyada Franchise Group, Inc.

January 02, 2025

Notes to Financial Statement

1. COMPANY AND DESCRIPTION OF BUSINESS

Viyada Franchise Group, Inc. (the Company) was established in the state of Massachusetts on August 02, 2024 for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their business as a franchise. The Company provide the qualified individual the right to operate a Spa embodies a philosophy aimed at helping guests achieve harmony and balance of body, mind, and spirit in our uniquely Thai-inspired ambiance. The business provides Authentic Thai Massage and Spa treatments under the "Viyada Thai Spa" mark.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company's financial statement. The financial statement and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

A. Basis of Accounting

The financial statement was prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

B. Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

C. Federal Income Taxes

The Company has elected to be taxed for U.S. Federal, and to the extent applicable, U.S. State purposes under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, federal income tax liabilities relating to the Company's profits are the stockholders' responsibility; therefore, no provision has been made for federal income taxes.

D. Use of Estimates

The preparation of our Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of our financial statements and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

E. Concentration of Credit Risk

The Company maintains cash and cash equivalents with major financial institutions. At various times during the period, the total amount on deposit might exceed the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The Company believes that it mitigates credit risk by depositing cash with financial institutions having high credit ratings.

F. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilizes ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay weekly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned overtime as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into

a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 5 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license.

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in the deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise and renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized as expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company didn't generate any revenue as of the balance sheet date but will be implementing ASC 606 to recognize its revenue once a sale has been made.

G. Recent Accounting Pronouncements

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities for most leases with terms longer than twelve months. The Company has evaluated the impact of this standard on its financial statements and determined that it doesn't have any lease that meet the requirement to recognize a right-of-use asset and liability because the Company doesn't have any long-term leases.

3. CASH AND CASH EQUIVALENTS

The Company maintains its cash balance in U.S. noninterest-bearing transaction accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On January 02, 2025 the Company's cash balance didn't exceed the FDIC insurance limits.

The Company considers all cash in the bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents. As of January 02, 2025 the Company has approximately \$17,732 in cash in their operating bank account.

4. STOCKHOLDERS' EQUITY

Under the articles of incorporation, the total number of common shares of stocks that the corporation shall have authority to issue is 100,000 shares of common stocks with \$0.01 par value per share. 10,000 shares have been issued and outstanding. As of January 02, 2025 the entity had \$17,632 in additional paid in capital.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 10, 2025 which is the date the financial statement was available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statement.

EXHIBIT D
STATE SPECIFIC INFORMATION
ADDENDA FOR THE STATE OF 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 RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a

concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”:

“You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

EXHIBIT E

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

FEDERAL TRADE COMMISSION

Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA:

Commissioner of Financial Protection &
Innovation
Dept. of Financial Protection and Innovation
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

HAWAII:

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

ILLINOIS (Registered Agent):

F. Chet Taylor, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):

Kwame Raoul
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:

Chris Naylor, Securities Commissioner
Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

MARYLAND (Registered Agent):

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MARYLAND (Regulatory Authority):
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):
Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:
Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st FL
New York, NY 10005
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA:
North Dakota Securities Department
Fifth Floor State Capitol, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

RHODE ISLAND:
Division of Securities
1500 Pontiac Ave.
John O. Pastore Complex, Bld 69-1
Cranston, RI 02920
Telephone: (401) 462-9500

SOUTH DAKOTA:
Division of Insurance
Securities Regulation
124 S. Euclid, Ste. 104
Pierre, SD 57501
Telephone: (605) 773-3563

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

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

WASHINGTON:
Address for Service of Process:
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
Telephone: (360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO Box 41200
Olympia, WA 98504-1200

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

EXHIBIT F
SAMPLE GENERAL RELEASE*
***Current Form; Subject to Change**

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant to fully and mutually release the other as follows:

1. Franchisee and its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, officers, directors, principals, employees and affiliated parties (collectively, the "Franchisee Parties") do hereby release and forever discharge Franchisor, its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, officers, directors, principals, employees and affiliated parties (collectively, the "Franchisor Parties") from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, including, without limitation: (a) arising out of or related to the Franchisor Parties' obligations under the franchise agreement or (b) otherwise arising from or related to the Franchisee Parties' relationship, from the beginning of time to the date of Franchisee's signature below, with any of the Franchisor Parties.

2. Franchisee, on Franchisee's own behalf 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 the preceding paragraph and represent that Franchisee has not assigned any such claims released by the preceding paragraph to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to the Franchisor Parties.

3. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

4. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

5. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every

term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

6. The parties hereby covenant and agree that each shall not make, at any time or place, any disparaging remarks, verbally or in writing, concerning any of the parties' actions or perceived omissions, regarding any matter connected with this Release Agreement or otherwise take any action that would disparage or cast doubt upon the business acumen or judgment of any other party. Each party understands and acknowledges that each other party's business and reputation are of special, unique, and extraordinary character, which gives them a particular value, the loss of which cannot reasonably be compensated in damages in an action at law. Accordingly, each party further agrees that in addition to any other rights or remedies that any other party may possess at law, any aggrieved party shall be entitled to injunctive and other equitable relief in order to prevent or remedy a breach of the provisions of this Agreement by any other party hereto.

7. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of Massachusetts.

9. This Release may be executed in two copies, each of which shall be deemed an original.

IF THE FRANCHISED BUSINESS FRANCHISEE OPERATES UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF FRANCHISEE IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE FRANCHISEE PARTIES. FRANCHISEE RECOGNIZES THAT FRANCHISEE OR THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND OR CAUSE OF ACTION AGAINST FRANCHISOR PARTIES OF WHICH FRANCHISEE, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE, HIM, HER, OR IT FROM ASSERTING IT AGAINST FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS

CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR’S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR’S SETTLEMENT WITH THE DEBTOR.”

FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT FRANCHISEE HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT FRANCHISEE UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Franchised Business is located in Maryland or if Franchisee is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All releases given by the Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

EXHIBIT G
ACH/EFT AUTHORIZATION AGREEMENT

**AUTHORIZATION TO HONOR CHECKS AND DEBITS
BY AND PAYABLE TO THE FOLLOWING PAYEE(S):**

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes Viyada Franchise Group Inc. ("Franchisor" or "Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

Name of Person or Legal Entity of Franchisee: _____

ID Number: _____

Bank: _____

Branch: _____

Address: _____

Bank Transit/ABA Number: _____

Account Number: _____

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

FRANCHISEE/PAYOR: _____

By: _____

Name: _____

Title: _____

Date: _____

INDEMNIFICATION AGREEMENT

To the above named Payee and the Bank designated:

The Payor agrees with respect to any action taken pursuant 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, without limitation, 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 or expenses reasonably in collection therewith.

2. To indemnify 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 Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

EXHIBIT H
FIRST ADDENDUM TO FRANCHISE AGREEMENT
***Current Form; Subject to Change**

THIS FIRST ADDENDUM (“Addendum”) to the Franchise Agreement dated as of the Effective Date (“Agreement”) between VIYADA FRANCHISE GROUP INC. (“Franchisor”) and _____ (“Franchisee”) is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1) Location. Franchisor has previously accepted the Location as required pursuant to the Agreement. The Location is: _____.

2) Lease Acceptance. Franchisor has previously accepted the lease for the Location as required pursuant to the Agreement and therefore waives the requirement for lease review and acceptance; provided, however, that if Franchisee enters into a new lease for the Location during the term of the Agreement, all lease review and acceptance requirements shall remain applicable.

3) Commencement of Operations. Franchisor and Franchisee acknowledge that the Franchised Business has commenced operations as required pursuant to the Agreement.

4) Franchisor’s Development Assistance. Franchisee acknowledges and agrees that Franchisor has complied with its obligations under the Agreement (or Franchisee waives, as the case may be, Franchisor’s obligation) to provide any services (such as site selection services, training, or support) prior to the opening of the Franchised Business.

5) Grand Opening. The section of the Agreement pertaining to a grand opening is deleted.

6) Remodeling. Franchisee will complete the remodeling and renovations of the Franchised Business, at Franchisee’s expense, listed below no later than sixty (60) days following the Effective Date of the Agreement or at such different time as set forth below:

7) No Further Renewal Rights. Section 2(b) of the Agreement is hereby deleted. As such, Franchisee has no right to renew the Agreement. Any renewal rights or terms following the expiration of the term of the Agreement shall be granted in Franchisor’s sole discretion. Franchisor has no obligation to grant Franchisee any further renewal rights, terms, or franchises.

8) Release. Franchisee and the undersigned owner and guarantors, for themselves and their respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns, hereby fully and forever unconditionally release

and discharge Franchisor; Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities ("Franchisee Parties") from any and all claims, demands, obligations, actions, liabilities, defenses or damages of every kind and nature whatsoever, in law or in equity, whether known or unknown, which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with Franchisor or Franchisor Parties, however characterized or described, from the beginning of time until the date of this Addendum.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the date first set forth above.

Franchisor:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

Franchisee:

By: _____

Name: _____

Title: _____

EXHIBIT I
AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER*
***Current Form; Subject to Change**

THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER (“Agreement”) is made among VIYADA FRANCHISE GROUP INC. (“Franchisor”), SELLER NAME(S) OR ENTITY NAME (“Seller”), and BUYER NAME(S) OR ENTITY NAME (“Buyer”), and, if any, the undersigned Guarantors, effective as of the Effective Date.

- A. Seller is the franchisee pursuant to that certain franchise agreement between Franchisor and Seller, as franchisee, dated ____ (“Seller Franchise Agreement”), governing the operation of the VIYADA THAI SPA business located at _____ (“Franchised Business”);
- B. Buyer is the franchisee under that certain franchise agreement between Franchisor and Buyer, as franchisee, dated _____ (as amended, “Buyer Franchise Agreement”);
- C. Seller has notified Franchisor that it and Buyer have entered into an Asset Purchase Agreement, dated _____ (“Purchase Agreement”), pursuant to which Seller has agreed to sell and Buyer has agreed to purchase all of the rights, obligations and assets relating to the Franchised Location (“Interests”) and, further, that Buyer has agreed to assume the lease obligations with regard to the Franchised Business (collectively, the “Transfer”); and
- D. Seller and the guarantors of the obligations of Seller (“Seller Guarantors”) have requested that Franchisor consent to the Transfer and release Seller and the Seller Guarantors from all obligations under the Franchise Agreement and guaranty, respectively; and
- E. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release.

FOR AND IN CONSIDERATION of the foregoing Recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Effective Date. The “Effective Date” of the Transfer will be the date the closing occurs under the Purchase Agreement and the assets of the Franchised Business are assigned from Seller to Buyer (“Closing”), or the date on which Franchisor signs this Agreement acknowledging its consent to the proposed Transfer, whichever occurs later. For the avoidance of doubt, Seller’s franchise rights will not transfer to Buyer unless the Closing occurs.
2. Proposed Transfer. Buyer is purchasing the Interests from Seller in accordance with the terms and conditions of the Purchase Agreement, a copy of which has been provided to Franchisor by Seller and Buyer. Seller and Buyer represent and warrant that the form of Purchase Agreement provided to Franchisor is the final version of the agreement and is the version which has been or will be executed by them to effectuate the Transfer.
3. Conditional Consent; Release of Guaranty. The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Franchisor will consent to the Transfer, as provided in the Seller Franchise Agreement, and will release (a) Seller from any obligations arising under the Seller Franchise Agreement and (b) Seller Guarantors under any

guaranty agreement (in each case except as described below) from and after the Effective Date; provided, however, such consent and release are expressly contingent upon compliance with the following terms and conditions on or before the date of the Closing:

a. Franchise Agreement. The Seller Franchise Agreement will terminate as of the Closing, and the operation of the Franchised Business will thereafter be governed by the Buyer Franchise Agreement;

b. Payment of Amounts Due. Seller will pay all amounts due and owing to Franchisor through the date of Closing; including the amounts of \$ _____;

c. Transfer Fee. Seller shall pay a transfer fee of \$ _____ as provided in the Seller Franchise Agreement;

d. Financial Statements. Seller will provide Franchisor with all required monthly financial statements for the Franchised Business through the date of Closing;

e. Training. Buyer or Buyer's designated representative(s) shall have satisfactorily completed the initial training program as described in the Buyer Franchise Agreement prior to the Closing or within _____ days of Closing;

f. Right to Possession. Buyer will provide satisfactory evidence to Franchisor that Buyer has the right to possession of the premises for the Franchised Business by way of lease assignment (with all required landlord consents) or otherwise;

g. Site Selection Assistance. Buyer acknowledges and agrees that Franchisor has satisfied any and all obligations under the Buyer Franchise Agreement with respect to site selection and development assistance;

h. Remodeling. Seller and Buyer shall ensure that all of the items reflected on the Pre-Sale Inspection which is attached hereto have been completed;

i. Purchase Agreement. The Purchase Agreement will not be amended and the terms of the transaction thereunder will not be changed except with the prior written consent of Franchisor;

j. Buyer Loans. Buyer shall provide Franchisor with copies of all loan documents or loan commitments evidencing all debt taken on by Buyer in connection with the purchase of the Franchised Business; and

k. Possession. Prior to Closing and changing possession of the Franchised Business, Seller and Buyer shall obtain the written consent of Franchisor to change possession.

l. Gift Card Liability. Buyer shall assume Seller's gift card liability and shall honor all outstanding but unredeemed gift cards issued by Seller or at the Franchised business.

4. Waiver of Right of First Refusal. Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

5. Release of Franchisor. Seller, Seller Guarantors, and Buyer, and each of them, for themselves and their affiliates, employees, officers, directors, successors, assigns, and other representatives, hereby fully and forever unconditionally release and discharge Franchisor, and its

affiliates, parents, subsidiaries, area directors and agents and their respective employees, owners, members, officers, directors, successors, assigns, guarantors and other representatives ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, including but not limited to, any claims arising from the Franchised Business, Seller Franchise Agreement, Buyer Franchise Agreement, Purchase Agreement, or the transactions described herein.

If the Franchised Location is located in California or if either Buyer or Seller is a resident of California, the following shall apply:

Section 1542 Acknowledgment. It is the intention of Seller and Buyer in executing this Agreement that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by Seller and/or Buyer. Each of Seller and Buyer recognizes that he, she or it may have some claim, demand or cause of action against the Released Parties of which he, she, or it is totally unaware and unsuspecting, which he, she or it is giving up by executing this Agreement. It is the intention of each of Seller and Buyer in executing this instrument that it will deprive him, her or it of such claim, demand or cause of action and prevent him, her or it from asserting it against the Released Parties. In furtherance of this intention, Seller and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each of Seller and Buyer acknowledges and represents that he, she, or it has consulted with legal counsel before executing this Agreement and that he, she, or it understands its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

6. Termination of Seller Franchise Agreement and Guaranties. Franchisor and Seller acknowledge and agree that, as of the date of Closing, upon the Transfer and upon compliance with the conditions set forth in Section 3 above, the Seller Franchise Agreement and the guaranties (if any) will automatically terminate and neither Seller nor Seller Guarantors shall have any further rights or obligations thereunder except that neither Seller nor any Seller Guarantor shall be released from:

- a. any obligations to pay money to Franchisor owed under either the Seller Franchise Agreement or the guaranty prior to Closing; or
- b. the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including without limitation the

post-termination restrictive covenants, audit rights, dispute resolution and notice, indemnification, and confidentiality provisions of the Seller Franchise Agreement).

7. Acknowledgment. Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

8. Additional Documents. Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, the Seller Franchise Agreement and the Buyer Franchise Agreement.

9. Miscellaneous Provisions. This Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of Massachusetts. This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

10. Non-Disparagement. In consideration of the accommodations provided to Seller, the Seller Guarantors and Buyer and concessions made by Franchisor and its affiliates under this Agreement, Seller, the Seller Guarantors and Buyer agree not to, and to use their best efforts to cause their current and former owners, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor or the Released Parties or their respective current and former agents, principals, officers, directors, owners, members, employees, franchisees, representatives, area directors, attorneys, parents, predecessors, affiliates, subsidiaries divisions, and successors and assigns, the VIYADA THAI SPA brand, the VIYADA THAI SPA system, or any other service-marked or trademarked concept of Franchisor, or which would subject the VIYADA THAI SPA brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

THUS signed by the parties shown below and made effective as of the Effective Date.

BUYER:

By: _____

Name: _____

Title: _____

FRANCHISOR:

VIYADA FRANCHISE GROUP INC.

By: _____

Name: _____

Title: _____

SELLER:

By: _____

Name: _____

Title: _____

SELLER GUARANTORS:

PRE-SALE INSPECTION

EXHIBIT J SBA ADDENDUM

SOP 50-10 5(j) Appendix 9



ADDENDUM TO FRANCHISE¹ AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

Effective Date: January 1, 2018

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: _____
Name: _____
Title: _____

Authorized Representative of FRANCHISEE:

By: _____
Name: _____
Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

Effective Date: January 1, 2018

EXHIBIT K
BRAND STANDARDS MANUAL TABLE OF CONTENTS

Viyada Thai Spa Franchise Operations Manual
Table of Contents

SECTION A: INTRODUCTION

WELCOME LETTER	1
VIYADA VISION AND CORE VALUES	2
Vision ◀	2
Core Values ◀	2
HISTORY OF VIYADA	3
SERVICES PROVIDED TO THE VIYADA FRANCHISEE	4
Advertising Materials and Sales Aids ◀	4
Approved Suppliers ◀	4
Corporate Website ◀	4
Franchisee Councils ◀	5
Initial Training ◀	5
Initial On-Site Assistance ◀	5
Lead Massage Therapist Training ◀	6
Ongoing Research and Development ◀	6
Ongoing Training and Support ◀	6
Site Selection ◀	6
RESPONSIBILITIES OF VIYADA FRANCHISEES	7
Responsibilities to Your Guests ◀	7
Responsibilities to Your Staff ◀	8
Responsibilities to Your Fellow Franchisees ◀	8
Responsibilities to the Franchisor ◀	9
VISITS FROM THE HOME OFFICE	10
PAYING OTHER FEES	11
Additional Training ◀	11
Audit ◀	11
Indemnification ◀	11
Late Payments and Returned Checks ◀	11
Refurbishing and Modernization ◀	12
Relocation ◀	12
Renewal Fee ◀	12
Successor Franchise Fee ◀	13
Supplier Inspection/Testing ◀	13
Transfer ◀	13

SECTION B: PRE-OPENING

PRE-OPENING CHECKLIST	1
ESTABLISHMENT OF BUSINESS FORM	4
DEVELOPING YOUR VIYADA LOCATION	5

Site Selection Criteria ◀	5
Site Acceptance ◀	7
Lease Considerations ◀	7
Required Lease Addendum/Lease Inclusions ◀	10
BUILDING OUT THE LOCATION	11
Sample Layouts ◀	11
Design Criteria ◀	12
Working with an Architect ◀	13
Working with a Contractor ◀	13
TECHNOLOGY REQUIREMENTS	14
POS/CRM ◀	14
Software and Hardware Requirements ◀	15
Cybersecurity and Data Protection ◀	16
SIGNAGE GUIDELINES	17
Exterior Signage ◀	17
Interior Signage ◀	18
Digital Signage ◀	18
REQUIRED SPA PURCHASES	20
Fixtures and Furniture ◀	20
Equipment and Supplies ◀	21
UTILITIES AND SERVICES	24
LICENSES AND PERMITS	26
SETTING UP BANK ACCOUNTS	29
PROCURING REQUIRED INSURANCE POLICIES	30
MEETING YOUR TAX OBLIGATIONS	32
Employer Identification Number ◀	32
Federal Taxes ◀	32
State Taxes ◀	33
Sales and Use Tax ◀	33
CONDUCTING A GRAND OPENING	34
Timing ◀	34
Suggested Grand Opening Activities ◀	34
Grand Opening Marketing Plan ◀	35

SECTION C: HUMAN RESOURCES

HELPFUL LINKS/RESOURCES	1
EEOC GUIDELINES FOR HIRING EMPLOYEES	3
Employers Covered by EEOC-Enforced Laws ◀	3
How Employees Are Counted ◀	4

Viyada Thai Spa Franchise Operations Manual Table of Contents

Record Keeping Requirements ◀	4	Pre-Screening Applicants ◀	31
Reporting Requirements ◀	5	The Interview Process ◀	33
Charge Processing Procedures ◀	5	Sample Interview Questions ◀	39
Mediation ◀	6	License Check ◀	49
Remedies ◀	6	Reference Check ◀	49
Regulatory Enforcement Fairness Act ◀	6	Background Check ◀	50
Technical Assistance ◀	7	Drug Testing ◀	50
Informal Guidance ◀	7	HIRING ON A TRIAL PERIOD	51
Publications ◀	7	ONBOARDING NEW EMPLOYEES	53
LAWS REGARDING HARASSMENT	8	TRAINING EMPLOYEES	56
Sexual Harassment ◀	8	Initial Training ◀	56
Racial and Ethnic Harassment ◀	8	Ongoing Training ◀	59
Pregnancy Discrimination ◀	9	PERSONNEL POLICIES	61
Religious Accommodation ◀	9	DRESS CODE	66
IMMIGRATION REFORM/CONTROL ACT	10	Receptionists ◀	66
WAGE AND LABOR LAWS	11	Massage Therapists ◀	67
Fair Labor Standards Act ◀	11	TIME TRACKING PROCEDURES	71
What the FLSA Requires ◀	11	CONDUCTING PERFORMANCE EVALUATIONS	74
Tips ◀	13	90-Day Performance Review ◀	75
Overtime ◀	14	Preparation ◀	76
What the FLSA Does Not Require ◀	14	Procedure ◀	77
FLSA Minimum Wage Poster ◀	15	Review Meeting ◀	78
Other Mandatory Labor Law Posters ◀	15	PROGRESSIVE DISCIPLINE	80
Workers' Compensation ◀	16	Three Phases of Corrective Action ◀	82
AMERICANS WITH DISABILITIES ACT (ADA)	17	TERMINATION/SEPARATION	85
Who is Protected? ◀	17	Termination ◀	85
What is Covered? ◀	17	Resignation ◀	90
Ensuring Compliance ◀	18	SECTION D: DAILY OPERATING PROCEDURES	
ADA Survey and Enhancements ◀	18	SUGGESTED HOURS OF OPERATION	1
ADA Resources ◀	18	DAILY PROCEDURES	2
PROFILE OF THE IDEAL EMPLOYEES	19	Opening Procedures ◀	2
SAMPLE JOB DESCRIPTIONS	22	Closing Procedures ◀	3
Spa Manager ◀	22	Down Time/Ongoing Tasks ◀	5
Assistant Spa Manager ◀	23	WEEKLY AND MONTHLY PROCEDURES	8
Spa Receptionist/Front Desk ◀	25	Weekly Procedures ◀	8
Lead Massage Therapist ◀	26	Monthly Procedures ◀	9
Massage Therapist ◀	27	GUEST SERVICE	11
RECRUITING EMPLOYEES	29	Service Standards ◀	11
Generating Applicants ◀	30		

Viyada Thai Spa Franchise Operations Manual Table of Contents

FRONT DESK PROCEDURES.....	12	Preventative Maintenance Checklists ◀	56
Front Desk Staff Skills and Attributes ◀	13	SAFETY AND SECURITY	58
Greeting Guests ◀	14	Proper Handling of Guest Belongings ◀	58
Check-In Process ◀	14	Accident and Incident Reporting	
Creating a Guest Profile in Mindbody ◀	21	and Investigation ◀	59
Contraindications and Precautions		Weather Emergencies and Natural Disasters ◀	60
for Treatment ◀	21	Robbery ◀	62
Showing Guests to the Treatment Room ◀	23	Burglary ◀	63
Guest Check-Out Process ◀	24	Fire Safety ◀	63
Updating and Maintaining Guest			
Profiles in Mindbody ◀	29		
Telephone Etiquette ◀	29		
FAQs ◀	30		
SCHEDULING APPOINTMENTS	32	SECTION E: MANAGING A VIYADA THAI SPA	
Appointment Confirmation and Reminders ◀	34	PRICING PHILOSOPHY AND SUGGESTED PRICING	1
Use of Scheduling Guide ◀	34	Pricing Philosophy ◀	1
Handling Requests ◀	36	Suggested Pricing Structure ◀	2
Optimizing the Schedule ◀	37	MANAGING YOUR TEAM	5
Confirming Appointments 48-Hours in Advance ◀	39	Facility Checklist ◀	5
Handling Rescheduling, No-Shows,		Employee Engagement and Retention ◀	7
and Late Arrivals ◀	40	Efficient Scheduling ◀	8
TRANSACTING SALES	43	Motivating Your Team and Setting Goals ◀	10
RETAIL PROCEDURES	44	MANAGING THE GUEST EXPERIENCE.....	13
List of Approved Products ◀	44	Creating and Maintaining the Right Ambience ◀ ...	13
Merchandising Principles ◀	45	Soliciting and Receiving Guest Feedback ◀	14
Sample Planograms ◀	45	Service Recovery, Handling Complaints,	
MEMBERSHIP.....	47	and Handling Service Failures ◀	16
Program Elements ◀	47	Recommended Compensation Guidelines ◀	17
How the Membership Works ◀	47	MONITORING QUALITY CONTROL.....	20
Membership Benefits ◀	48	Quality Control Tools ◀	20
Starting a Membership ◀	48	INVENTORY MANAGEMENT	21
Suspending a Membership ◀	49	Ordering ◀	21
Terminating a Membership ◀	49	Using Approved Vendors ◀	22
REQUIRED CLEANING AND MAINTENANCE	50	Conducting Physical Inventory ◀	24
Daily Spa Cleaning Duties ◀	50	FINANCIAL MANAGEMENT	25
Weekly Spa Cleaning Duties ◀	52	Mindbody Reporting ◀	25
Monthly Spa Cleaning Duties ◀	53	Analyzing Operational Reports ◀	25
FACILITY AND EQUIPMENT MAINTENANCE	54	Tracking KPIs ◀	27
Preventative Maintenance Schedule ◀	54	FRANCHISE REPORTING REQUIREMENTS	30
		Royalty Payment ◀	30
		Brand Development Fee ◀	30
		Required Local Marketing Expenditures ◀	30
		Electronic Funds Transfer ◀	31

Viyada Thai Spa Franchise Operations Manual

Table of Contents

Financial Statements ◀	31	Community Involvement ◀	5
		Influencer and Partnership Marketing ◀	6
SECTION F: SPA SERVICE PROCEDURES		USE OF EARNED MEDIA	8
SPA SERVICE PHILOSOPHY	1	Using Social Media ◀	8
SERVICE INNOVATION AND DEVELOPMENT	3	Public Relations ◀	8
Introducing New Services ◀	3	Referral Program ◀	9
Staying Updated with Industry Trends ◀	4	ONLINE REPUTATION MANAGEMENT	10
Gathering Customer Feedback for		TRACKING AND ANALYZING MARKETING EFFORTS	12
Service Improvements ◀	6	Marketing Metrics ◀	12
VIYADA MENU OF SERVICES	8	Adjusting Strategies Based Upon Results ◀	12
Core Services ◀	8	GUIDELINES FOR USING VIYADA MARKS	14
Massage Enhancements ◀	10	LOGO AND SIGNAGE SPECIFICATIONS	15
Body Treatments ◀	11	Logo Specifications ◀	15
Packages ◀	11	Business Cards and Letterhead ◀	15
MAKING ROOM ASSIGNMENTS	13	REQUIRED ADVERTISING EXPENDITURES	16
TREATMENT ROOM SETUP	15	Local Advertising Requirement ◀	16
Massage Table Setup ◀	16	Brand Development Fee ◀	16
IN-ROOM SERVICE DELIVERY	18	Grand Opening Advertising ◀	16
Greeting Guests and Confirming Service ◀	18	OBTAINING ADVERTISING APPROVAL	18
Guest Consultation and Setting			
Expectations for Results ◀	18	APPENDICES:	
Monitoring Guest Comfort ◀	19	BRAND GUIDE	
Proper Draping ◀	20	FORMS AND SAMPLES	
Asking for Feedback ◀	20	TRAINING	
TURNING ROOMS BETWEEN GUESTS	21		
Sterilization ◀	21		
Sanitation ◀	22		
PROPER LINEN USAGE	23		
Linen Types and Usage ◀	23		
Layering Linens on the Massage Table ◀	23		
Additional Equipment ◀	24		
Handling and Storage ◀	24		
Washing and Sanitizing Linens ◀	24		
SECTION G: MARKETING			
DEVELOPING YOUR MARKETING PLAN	1		
USE OF PAID MEDIA	4		
Traditional Marketing ◀	4		
Digital Marketing ◀	4		

EXHIBIT L
FORM OF FRANCHISE COMPLIANCE QUESTIONNAIRE

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”), Franchise Agreement and each Addendum (if any), and related agreement (i.e., personal guaranty) attached to them?

Yes or No? _____

2. Did you receive the Franchise Agreement and each related agreement, Addendum, or Amendment (if any), containing all material terms, at least 7 days before signing any binding agreement with us or an affiliate?*

Yes or No? _____

* This does not include changes to any agreement mutually agreed upon.

3. Did you receive the FDD at least 14 days before signing the Franchise Agreement, this document or any related agreement, and before paying any funds to us or an affiliate?

Yes or No? _____

4. Do you understand all of the information contained in the FDD, Franchise Agreement and each Addendum (if any), and related agreement provided to you?

Yes or No? _____

If No, what parts of the FDD, Franchise Agreement, Addendum (if any), and/or related agreements do you not understand?

5. Did you sign a receipt for the FDD indicating the date you received it?

Yes or No? _____

6. Have you discussed the benefits and risks of purchasing a VIYADA THAI SPA franchise with an attorney, accountant or other professional advisor?

Yes or No? _____

If No, do you wish to have more time to do so?

Yes or No? _____

7. Do you understand that the success or failure of your VIYADA THAI SPA franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes or No? _____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a VIYADA THAI SPA franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a VIYADA THAI SPA franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

10. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a VIYADA THAI SPA franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

11. If you have answered "Yes" to any one of questions 8-10, please provide a full explanation of each "Yes" answer in the following blank lines.

12. Do you understand that the Franchise Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning a VIYADA THAI SPA franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement, Addendum (if any) or related agreements will not be binding?

Yes or No? _____

Nothing in this document or any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you.

13. Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement, Addendum (if any) and related agreements can be relied upon?

Yes or No? _____

14. You signed the Franchise Agreement, and Addendum (if any) and related agreements on _____, and acknowledge that no agreement or addendum is effective until signed and dated by us.

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS COMPLIANCE CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

The individuals signing below for the "**Franchisee Applicant**" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Franchisee Applicant, or constitute the duly authorized representatives or agents of the foregoing.

FRANCHISE APPLICANT:

Signature: _____
Name: _____
Date: _____

Signature: _____
Name: _____
Date: _____

Signature: _____
Name: _____
Date: _____

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	Not registered
Hawaii	Not registered
Illinois	Not registered
Indiana	Not registered
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Pending
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

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 M RECEIPT

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

If Viyada Franchise Group Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Viyada Franchise Group Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state agency listed on Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐
Krit Panichpisal
336 Newbury St. 2nd Fl.
Boston, MA 02115
617-383-4318

☐
Ladasiri Panichpisal
336 Newbury St. 2nd Fl.
Boston, MA 02115
617-383-4318

☐

Issuance Date: January 14, 2025

Viyada Franchise Group Inc. authorizes the state agencies identified on Exhibit E as its registered agent authorized to receive service of process. Viyada Franchise Group Inc.'s registered agent in MA is Krit Panichpisal at 1530 Beacon St., Apt. 805, Brookline, MA 02446

I have received a disclosure document dated January 14, 2025 that included the following: Exhibit A –Franchise Agreement, with Attachment 1 (Franchise Rider), Attachment 2 (Lease Rider), Attachment 3 (Internet, Social Media, and Telephone Assignment), Attachment 4 (Guaranty), Attachment 5 (Nondisclosure and Noncompetition Agreement), and Attachment 6 (Nondisclosure and Non-solicitation Agreement), Exhibit B-1 –Listing of Current Franchisees, Exhibit B-2 – Listing of Certain Past Franchisees, Exhibit C – Financial Statements, Exhibit D – State Specific Information, Exhibit E – Federal and State Regulators and Agents for Service of Process, Exhibit F –Sample General Release, Exhibit G – ACH/EFT Transfer Agreement, Exhibit H – First Addendum to Renewal Franchise Agreement, Exhibit I – Agreement and Conditional Consent to Transfer, Exhibit J – SBA Addendum, Exhibit K- Brand Standards Manual Table Of Contents, Exhibit L – Form of Franchise Compliance Questionnaire, Exhibit M – Receipt

Date	Name	Signature
------	------	-----------

You may return one copy of this receipt by signing, dating and mailing it to Franchise Administration, at Viyada Franchise Group Inc., 336 Newbury St. 2nd Fl., Boston, MA 02115 or emailing it to franchise@viyadathaispa.com.

RETAIN THIS COPY FOR YOUR RECORDS

RECEIPT

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

If Viyada Franchise Group Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Viyada Franchise Group Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to the appropriate state agency listed on Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐
Krit Panichpisal
336 Newbury St. 2nd Fl.
Boston, MA 02115
617-383-4318

☐
Ladasiri Panichpisal
336 Newbury St. 2nd Fl.
Boston, MA 02115
617-383-4318

☐

Issuance Date: January 14, 2025

Viyada Franchise Group Inc. authorizes the state agencies identified on Exhibit E as its registered agent authorized to receive service of process. Viyada Franchise Group Inc.'s registered agent in MA is Krit Panichpisal at 1530 Beacon St., Apt. 805, Brookline, MA 02446

I have received a disclosure document dated January 14, 2025 that included the following: Exhibit A –Franchise Agreement, with Attachment 1 (Franchise Rider), Attachment 2 (Lease Rider), Attachment 3 (Internet, Social Media, and Telephone Assignment), Attachment 4 (Guaranty), Attachment 5 (Nondisclosure and Noncompetition Agreement), and Attachment 6 (Nondisclosure and Non-solicitation Agreement), Exhibit B-1 –Listing of Current Franchisees, Exhibit B-2 – Listing of Certain Past Franchisees, Exhibit C – Financial Statements, Exhibit D – State Specific Information, Exhibit E – Federal and State Regulators and Agents for Service of Process, Exhibit F –Sample General Release, Exhibit G – ACH/EFT Transfer Agreement, Exhibit H – First Addendum to Renewal Franchise Agreement, Exhibit I – Agreement and Conditional Consent to Transfer, Exhibit J – SBA Addendum, Exhibit K- Brand Standards Manual Table Of Contents, Exhibit L – Form of Franchise Compliance Questionnaire, Exhibit M – Receipt

Date	Name	Signature
------	------	-----------

You may return one copy of this receipt by signing, dating and mailing it to Franchise Administration, at Viyada Franchise Group Inc., 336 Newbury St. 2nd Fl., Boston, MA 02115 or emailing it to franchise@viyadathaispa.com.