FRANCHISE DISCLOSURE DOCUMENT

GET LIT CONCEPTS, LLC
a North Carolina limited liability company
13620 Reese Blvd. East, Suite 300
Huntersville, NC 28078
(980) 223-0975
franchising@beemlightsauna.com
www.beemlightsauna.com

As a franchisee, you will own and operate a membership-based, state-of-the-art studio featuring consumer-grade infrared, red light, and chromotherapy solutions, and offering related services and products, in a private spa-like setting. The total investment necessary to begin operation of a single beem® Light Sauna studio is $512,909 to $738,991. This includes $191,603 to $282,099 that must be paid to the franchisor or affiliate.

We also offer to qualified applicants rights to develop multiple studios within a defined geographical area under an Area Development Agreement. The total investment necessary to begin operation as an area developer will depend on how many studios you acquire rights to develop; for example, if you acquire rights to develop 3 studios, the total investment necessary to begin operation is $587,909 to $813,991. This includes $266,603 to $357,099 that must be paid to the franchisor or affiliate. If you acquire rights to develop 5 studios, the total investment necessary to begin operation is $642,909 to $868,991. This includes $321,603 to $412,099 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats contact Zac Celaya at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 and (980) 447-5623.

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

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

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

Issuance Date: April 18, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G and H.
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 beem® Light Sauna studio 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 franchise 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 beem® Light Sauna studio franchisee?	Item 20 or Exhibits G and H list current and former franchisees. You can contact them to ask about their experience.
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 that franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

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

Special Risks to Consider About *This* Franchise

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

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

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

3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

4. **Mandatory Minimum Payments.** You must make mandatory minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

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

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.

ADDITIONAL COVER PAGE
FOR THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(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 this notice should be directed to: State of Michigan Consumer Protection Division, Attn: Franchise Section, 670 G. Mennen Williams Building, 525 West Ottawa, Lansing, Michigan 48933; (517) 335-7567.

Despite subparagraph (F) above, we intend to enforce fully the arbitration sections contained in our Franchise Agreement and Development Agreement. We believe that subparagraph (F) is unconstitutional and cannot preclude us from enforcing our arbitration sections. If you acquire a franchise, you acknowledge that we will seek to enforce the arbitration sections as written, and that the terms of the Franchise Agreement and Development Agreement will govern our relationship with you, including the specific requirements of the arbitration sections.

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EXHIBITS

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

General

To simplify the language in this Disclosure Document, "beem® Light Sauna," "we," "us," or "our" means Get Lit Concepts, LLC, the franchisor. "You" or "Franchisee" means the person or entity who buys the franchise, including all owners if you are a corporation, partnership, limited liability company, or other business entity. If you are a corporation, partnership or other entity, your principals (described in Item 15) must sign the Personal Guaranty attached as Exhibit A to the Franchise Agreement, which means that all of the provisions of the Franchise Agreement (Exhibit D) also will apply to them.

Get Lit Concepts, LLC is a North Carolina limited liability company that was organized on April 30, 2021. Our principal business address is 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078. If we have designated agents for service of process in other states, they are listed in Exhibit A. We began offering beem® Light Sauna studio franchises in March 2022. We have never offered any other franchises and we do not operate a business of the type being franchised. We conduct business under the name beem® Light Sauna. We do not intend to conduct business under any other name, and we do not engage in business activities other than franchising.

Although we do not operate a business of the type being franchised, our affiliates, Sweat and Salty, LLC ("Sweat and Salty") and SmartYou Weightloss, LLC ("SmartYou"), who both share our principal business address, operate 2 beem® Light Sauna Studios in North Carolina. Sweat and Salty and SmartYou do not offer franchises in any line of business and neither provide any products or services to our franchisees.

SLLR Enterprises LLC ("SLLR"), is an affiliate of ours who also shares our principal business address. SLLR is the franchisor of RockBox Fitness, a boxing-based fitness concept. SLLR began offering RockBox Fitness franchises in 2018 and, as of December 31, 2023, it had sold 62 franchises in the United States. SLLR does not sell any products or services to our franchisees.

Another of our affiliates, StackIt Consultants, LLC ("StackIt"), a North Carolina limited liability company formed on July 13, 2023, who also shares our principal business address, operates a direct outbound sales organization focused on selling recurring revenue memberships and products for its clients' businesses. StackIt is one of our approved suppliers and provides pre-launch consulting and membership services to our franchisees. StackIt does not provide any other products or services to our franchisees and StackIt does not offer franchises in any line of business.

We do not have any predecessors or parent companies and, other than Sweat and Salty, SmartYou, SLLR and StackIt, which are disclosed above, we do not have any affiliates that are required to be disclosed in this Item.

The Business and Franchises Offered

We are offering, under the terms of this Disclosure Document, the opportunity to become a franchisee with rights to develop and operate one or more beem® Light Sauna studios (each, a "Studio"). Studios offer memberships to permit customers to access customized consumer-grade wellness programs using the spa-like Studio facilities featuring state-of-the-art infrared, red light and chromotherapy solutions in private suite settings. Among other distinctive elements, Studios feature our proprietary trade names, trademarks, and logos ("Proprietary Marks"); a proprietary floorplan and layouts for between 8 and 10 private wellness suites, showering facilities, and retail and lounge areas; other distinguishing characteristics including, without limitation, the Studio look, feel, and smell, construction specifications and identification schemes; proprietary equipment and fixtures; climate control standards; specifications for equipment, inventory, and accessories; a website or series of websites for the Studios; relationships with vendors; software and computer systems; reservation procedures and system; operating procedures and customer service standards; marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (collectively, the "System") set out in our operations manual and otherwise in writing ("Manuals"). We may periodically change, improve, add to, modify, and further develop the Manuals and elements of the System.

If you purchase a franchise, you must sign our Franchise Agreement, which is attached to this Disclosure Document at Exhibit D. As a franchisee, you will have the right to establish and operate a Studio utilizing our Proprietary Marks and System (the "Franchised Business"). Your Franchised Business must be operated from a specific location (the "Approved Location") within a designated area (the "Designated Territory") that we approve in writing. The size of your Franchised Business will vary depending on the size of your Designated Territory but should generally be between 1,300 to 1,800 square feet.

We also offer qualified applicants the right to develop multiple Studios within a defined development area ("Development Area"). If you purchase development rights, then in addition to the Franchise Agreement for your first Studio, you must sign our Area Development Agreement ("Development Agreement"), which is attached to this Disclosure Document at Exhibit E. The Development Agreement provides you with rights to establish and operate additional Studios within the Development Area, each of which will be governed by a separate Franchise Agreement that you and we sign prior to you opening each additional Studio. Because you must sign our then-current version of our Franchise Agreement each time you open a new Studio, the terms of each of your Franchise Agreements may differ materially.

Before you sign the Development Agreement, we and you will agree to the Development Area, the number of Studios you are committing to open in the Development Area, and the timeframe within which you must sign Franchise Agreements for and open each Studio ("Development Schedule").

Market and Competition

Studios operate in a developed and competitive wellness and self-care market. Customers primarily include individuals between ages 20 and 50 with a household income of $85,000 or more who are seeking a relaxing way to improve wellness. Your competitors include local, regional, and national spas, day spas, wellness boutiques, and other businesses offering unique consumer-grade wellness solutions.

The wellness and self-care industry can be affected by many factors including changes in local, regional, and national economic conditions, changes in consumer spending, changes in regulations, labor, and the availability of a qualified and competent workforce, and increases in the number and location of competing facilities. The industry and competition are also affected by price, service and product quality, promotions, marketing programs, energy costs, the availability and cost of suitable sites, fluctuating interest and insurance rates, licensing requirements, tax policies, technological developments.

Industry Specific Regulations

You must obtain and maintain any permits, licenses (including music or streaming licenses), certifications, or other indications of authority necessary for the operation of the Franchised Business. We are not aware of any federal, state or local laws or regulations that require you to involve a licensed medical professional in the operation of the Franchised Business, but you are responsible for consulting with your advisors to verify that no such laws or regulations exist where your Studio is located.

In general, you are responsible for investigating the availability and requirements for obtaining all necessary licenses, certificates, and permits. You should inquire about any applicable laws and your corresponding obligations and cost of compliance. You are encouraged to consult with competent legal counsel regarding all laws and regulations described in this Item and others that may apply to you and your Franchised Business. You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to your Franchised Business, despite any advice or information that we may give you.

There are no national regulations that apply specifically to the operation of infrared sauna studios. However, many states, and some municipalities, have laws and regulations that apply specifically to membership contracts, operations, licenses, and health clubs. Many states limit the length of your customer contracts, provide for specific provisions to be included in those contracts, prescribe the format or type size for the contract, and/or provide customers the right to terminate their contracts. State regulations may also require you to obtain a bond or establish an escrow to protect pre-paid membership fees you collect. Some states and municipalities may also have enacted laws requiring self-care centers to have a staff person available during all hours of operation, and in some cases this person may be required to be certified in basic cardiopulmonary resuscitation or have other specialized training. Some states impose sales taxes on Studio memberships. If these or similar laws have been enacted in the state or municipality in which you intend to operate your Studio, you must comply with them at your own expense.

Your Franchised Business will be subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime and working conditions and workers' compensation. Your Franchised Business will also be subject to other laws or regulations that are not specific to the industry, but applicable to businesses generally, including labor laws, insurance requirements, business licensing laws and tax regulations, and the Americans with Disabilities Act. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

ITEM 2
BUSINESS EXPERIENCE

Cynthia May Wagner: Chief Executive Officer

Mrs. Wagner has served as our Chief Executive Officer since April 2024 in Huntersville, North Carolina. Mrs. Wagner is also our Co-founder and was our President from April 2021 to April 2024. Mrs. Wagner has also served as the Managing Member of Sweat and Salty, LLC since October 2019 in Huntersville, North Carolina. Mrs. Wagner has also served as Managing Member of StackIt since July 2023. Prior to that, Mrs. Wagner served as a Managing Member and CEO of Salon 46, LLC in Alexandria, Virginia from July 2011 to July 2017.

Zac Celaya – VP of Development

Mr. Celaya has served as our VP of Franchise Development since December 2021 in Huntersville, North Carolina. Mr. Celaya has also served as the VP of Franchise Development of SLLR since May 2019 in Huntersville, North Carolina. Mr. Celaya has also served as a Managing Member of StackIt since July 2023. Prior to that, Mr. Celaya served as Operations Director/Franchise Business Consultant of Driven Brands in Charlotte, North Carolina from October 2017 through May 2019.

Amy Camodeca

Mrs. Camodeca has served as our Vice President of Operations since January 2024, and as Vice President of Operations of SLLR since June 2023, both in Huntersville, North Carolina. Mrs. Camodeca served as Director of Operations of Charlotte Radiology in Charlotte, North Carolina from June 2021 to April 2023. From December 2019 to June 2021, Mrs. Camodeca served as Director of Operations of Atrium Health in Charlotte, North Carolina. Prior to that, Mrs. Camodeca was a Franchise Owner of Burn Boot Camp locations in Winston Salem (North Carolina), Kernersville (North Carolina) and Gilbert (Arizona) from March 2016 to September 2019.

Mike Dudan – Finance Advisor

Mr. Dudan has served as our Finance Advisor since December 2021 in Huntersville, North Carolina, and as a Financial Advisor for SLLR since October 2019 in Huntersville, North Carolina. Mr. Dudan has served as CFO of DDL Investments, Inc. in Huntersville, North Carolina since March 2019. Prior to that, Mr. Dudan held various financial roles, including Chief Financial Officer for the Carolina Panthers from February 2003 to March 2019 in Charlotte, North Carolina.

Roger Martin: Managing Member & Senior Advisor

Mr. Martin has served as our Senior Advisor since April 2024 and our Managing Member since our inception in April 2021, in Huntersville, North Carolina. From April 2021 to April 2024, Mr. Martin served as our Chief Executive Officer. Mr. Martin has also served as the Chief Executive Officer of SLLR located in Huntersville, North Carolina, since March 2017, and as the Managing Member of Smart You since December 2020, in Charlotte, North Carolina. Mr. Martin has also served as a Managing Member of our affiliate, StackIt, since July 2023. Prior to that, Mr. Martin served as the Managing Member of Reafield RKBX, LLC in Waxhaw, North Carolina, from July 2017 to September 2020.

Jeff Dudan: Managing Member & Senior Advisor

Mr. Dudan has served as our Senior Advisor since April 2024 and as our Managing Member since our inception in April 2021, in Huntersville, North Carolina. Mr. Dudan served as an Advisor to us, in Huntersville, North Carolina, from January 2022 to April 2024, as the Chief Executive Officer of Homefront Brands, in Huntersville, North Carolina, since March 2022, and as Advisor to SLLR, in Huntersville, North Carolina, from January 2019 to March 2022. He was the Chief Development Officer of Mowbot, Inc., in Huntersville, North Carolina, from August 2017 to April 2021, an Advisor to FranDevCo in Huntersville, North Carolina, from March 2019 to March 2022, an Advisor to Franchise Genesis, in Huntersville, North Carolina, from January 2021 to March 2022, and as the Chief Executive Officer of Advanta Clean Systems, Inc., in Huntersville, North Carolina, from February 1994 to January 2019.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee of $59,900 for your first Franchised Business (the "Initial Franchise Fee") in a lump sum when you execution of your Franchise Agreement. The Initial Franchise Fee is paid in consideration of the costs incurred by us in connection with the execution of your Franchise Agreement, as well as our lost or deferred opportunity to enter into a Franchise Agreement with other prospects. The Initial Franchise Fee is non-refundable upon payment.

If (i) you fail to complete the initial training program to our satisfaction, (ii) we conclude, no more than 10 days after you complete the initial training program that you do not have the ability to satisfactorily operate your franchise, or (iii) you fail to timely open your Franchised Business because you do not meet the minimum number of required pre-launch/pre-opening membership sales, then we have the right to terminate your Franchise Agreement (without refunding any portion of the Initial Franchise Fee to you).

Discount Programs

We currently offer the following discount programs (which we may revise or discontinue at any time):

Qualified U.S. Military Veterans & First Responders. For qualified individuals who were (i) honorably discharged from any branch of the United States Military, or (ii) are currently employed as a first responder (firefighter, law enforcement officer, paramedic, emergency medical technician, or other individual who, in the course of their professional duties, responds to fire, medical, hazardous material, or other similar emergencies), the Initial Franchise Fee is discounted by $5,000.

HIRE Program Discount. Under our "HIRE Program," we offer a discounted Initial Franchise Fee for your first Franchised Business to qualified employees of our franchisees who: (i) have been recommended by a System franchisee; (ii) have been employed by a System franchisee for at least two (2) years; and (iii) otherwise qualifies to be our franchisee. This discount is based on years of service with one of our franchisees and is calculated as follows:

Discount on Initial Franchise Fee	**Years of Consecutive Employment with Franchisee**
50%	2
65%	3

Discount on Initial Franchise Fee	Years of Consecutive Employment with Franchisee
80%	4
95%	5+

Discounts under our HIRE Program will be applied to the Initial Franchise Fee for your first Franchised Business only and the discount shall be calculated after any third-party broker fees are deducted, if any. Additional Franchised Businesses under a Development Agreement will incur the Development Fees set forth in the table below. You may use the HIRE Program discount only once and only in accordance with our standards and specifications.

Initial Equipment and Supply Package

Depending on the size of your Studio, you must pay us between $129,153 to $169,649 to purchase the Initial Equipment and Supply Package, which provides all of your saunas a red-light system, some furnishings, some proprietary technology, internal signage, and an initial supply of supplements and retail items (the "Initial Equipment and Supply Package"). Payment is currently made to Get Lit Concepts, LLC and is due 90 days after executing your Franchise Agreement.

Initial Advertising Spend

You are required to spend between $20,000 - $25,000 on the initial advertising of the Franchised Business, which is paid directly to the advertising platform. In addition to this range, you are required to pay us $850/month for three (3) months prior to opening the Franchised Business to conduct Initial Advertising on your behalf, for a total of $2,550.

Pre-Launch Consulting and Membership Services

You must undertake a pre-launch and pre-opening membership sales drive according to our standards and requirements. Depending on your pre-launch and pre-opening activities, you will spend between $0 and $50,000 on prelaunch consulting and membership drive services. StackIt, one of our affiliates described in Item 1, offers these consulting and membership services to our franchisees. If you choose to purchase these services from StackIt, you must pay StackIt up to $50,000, based on your arrangement with StackIt.

Development Agreement

If we grant you the right to open multiple franchised Studios under a Development Agreement, you must pay us a Development Fee upon execution of your agreement. The Development Fee will be paid in a lump sum and is deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee is based on the number of Studios we grant you the right to develop within your Development Area:

Number of Studios set forth in Development Schedule	Development Fee
1	$59,900
2	$99,900

Number of Studios set forth in Development Schedule	Development Fee
3	$134,900
4	$164,900
5	$189,900

The Development Fee is $189,900 for the first five Studios, plus $20,000 for each additional Studio you purchase the right to develop.

You will be required to enter into our then-current form of franchise agreement for each franchised Studio you wish to develop under your Development Agreement. You will sign the franchise agreement governing the first Studio you have the right to develop within your Development Area at the same time as your Development Agreement.

Uniformity

Except as provided in this Item, we expect and intend to impose the fees above uniformly. None of the fees set forth in this Item are refundable under any circumstance. During our fiscal year ending December 31, 2023, we collected Initial Franchise Fees ranging from $44,900 to $49,900 and Development Fees ranging from $84,900 to $505,000.

ITEM 6
OTHER FEES[1]

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee[2]	The greater of 7% of your monthly Gross Sales, or $1,750 per month.	The earlier of the opening of your studio or 365 days after the Effective Date of the Franchise Agreement and thereafter at the then-current draft periods.	This payment will be debited automatically from your EFT transactions or drafted via ACH.
Brand Fund Contribution[3]	Currently, the Brand Fund Contribution is the greater of one percent (1%) of Gross Sales per month or $250 per month. We reserve the right to increase your Brand Fund contribution to the greater of two percent (2%) of Gross Sales or $500 per month.	The earlier of the opening of your studio or 365 days after the Effective Date of the Franchise Agreement and thereafter at the then-current draft periods.	This payment will be debited automatically from your EFT Account or drafted via ACH.

TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS**
Local Marketing	After your business opens, you will be required to spend a minimum of $1,500 per month in advertising spend ("Local Marketing Requirement"). You will be required to select us or an Approved Supplier and pay us or that Approved Supplier their then-current ad management fee which is in addition to your Local Marketing Requirement.	Monthly	We or a third party we designate will use the Local Marketing monies to pay for local marketing for your Studio. Any fees you pay to have us or an Approved Supplier conduct Local Marketing will not be counted towards your Local Marketing Requirement. If we provide local marketing for you, you will pay to us each month: (1) $1500, plus (2) our then-current monthly ad management fee (currently, $850/month)
Marketing Agency Management Fee	You must use the marketing agency we designate (currently, socialight Media) and pay their then-current management fee, which is currently $850.	Monthly	This payment will be debited automatically from your EFT Account or drafted via ACH.
Bookkeeping	You will be required to select our required vendor(s) at the then-current pricing, which is currently $349.	Monthly	This payment will be debited automatically from your EFT Account or drafted via ACH.
Regional Cooperative Contribution[4]	As determined by the cooperative. Currently, we have not established a Regional Cooperative.	Paid monthly on the 5th day of the month.	See Note 4 below.
Music and Entertainment Licenses	The then-current license fees.	Monthly or yearly.	We require that you subscribe to our approved music and/or entertainment vendors and pay all applicable fees to them, an approved supplier, or other third party.

TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS**
Annual Membership Contract Maintenance Fee	The then-current Contract Maintenance Fee which is currently $250 per year.	Yearly	We require that all contracts are updated annually to maintain state level legal compliance.
Replacement / Additional Training Fee	The then-current training fee, which is currently up to $350 per day (the "Training Fee").	Prior to attending training.	If you send a manager or other employee to our training program after you open, we will charge our then-current Training Fee.
Third-Party Vendors	Pass-through of costs, plus reasonable administrative fee.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, marketing, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program.
Point of Sale System (POS System) Fee	The then-current fee charged by our Approved Supplier, which is currently $599 per month (the "POS System Fee").	Monthly. You may incur initial set-up costs to implement the software.	We require you to use certain software described in Item 11. You must pay this fee to an Approved Vendor.
Technology Fee	The then-current technology fee, which is currently $450 per month ("Technology Fee")	Monthly. You may incur initial set-up costs to implement certain technology.	We require you to use certain software and technology as described in Item 11.
Non-compliance Fee	The then-current Non-Compliance Fee, which is currently $1,000	On demand	We may charge you $1,000 if your Franchised Business is not in compliance with our system specifications or the franchise agreement and you fail to correct the

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			non-compliance within the applicable cure period. Thereafter, we may charge you $500 per week until you correct such non-compliance.
Extension Deadline Request Fee[5]	The then-current amount, which is currently $1,500	On demand	We reserve the right to charge you an extension fee if you request an extension on your opening deadline for one or multiple units which will be specified based on the Effective Date of your Franchise Agreement and Development Agreement.
Late Fee	$250 plus interest on the unpaid amount at a rate equal to 18% per year or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law.	On demand	We may charge you a late fee if you fail to make a required payment when due.
Insufficient Funds Fee	$100 (or, if such amount exceeds the maximum allowed by law, then the maximum amount allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Special Support Fee	Our then-current fee, plus our expenses. Our special support fee is currently $600 per day (the "Special Support Fee").	On demand	If we provide in-person support to you (i) in response to your request, or (ii) if we deem it necessary, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
State Inspection Fee	Currently $600, plus our out-of-pocket costs	On demand	Only payable if we conduct an inspection of your business because of a governmental report, customer complaint, or other customer feedback,

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			or your default or non-compliance with any system specification.
Records Audit	Actual cost of audit	On demand	Payable if (i) we audit you because you have failed to submit required reports or other non-compliance, or (ii) the audit concludes that you under-reported gross sales by more than 3% or more for any designated reporting period.
Indemnification[6]	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Legal Costs[7]	Our attorneys' fees, court costs, and other expenses of a legal proceeding.	On demand	You must reimburse us for our attorneys' fees and other costs that we incur in connection with enforcing or protecting our rights under your Franchise and/or Development Agreement.
Annual Conference[8]	Our then-current Annual Conference Fee, which is currently $950 for up to 2 people.	On demand, prior to the conference.	This payment will be debited automatically from your EFT Account. You are required to attend the Annual Conference.
Costs of Collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorneys' fees) in attempting to collect amounts you owe to us.
Customer Complaint Resolution	Our expenses	As incurred	We may take any action we deem appropriate to resolve a customer

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Equipment Upgrades[9]	The then-current amount, which is currently $60,000-$72,000	As incurred and paid to sauna supplier	You may have to upgrade and/or replace the saunas every 4 - 6 years as needed, depending on the number of saunas being replaced/upgraded.
Studio Upgrades[10]	Varies	As incurred and paid to contractor	You must upgrade and update your location every 5 years as required (painting, flooring, counters, fixtures, etc.).
Non-compliance Cure Costs and Fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Promotional Programs	Cost of programs and related fees, but not to exceed $3,000.	When billed	If, at any time during the Term of the Franchise Agreement, but not before the end of the 12-month period following the Opening Date of the business, your Gross Sales are not at least 70% of the annual, average gross sales of all beem® Light Sauna studio franchisees that have operated their studios for at least 12 months, then we may require you to participate in a special promotional program(s) that we implement, and you must pay the costs

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			and fees associated with such program(s).
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third-party, you must reimburse us.
Alternate or New Product or Supplier Testing	The then-current alternative supplier or new product review fee, which is currently $1,000	Within 14 days of invoice.	As determined by us, in our reasonable business judgment. We may require your submission of samples and specifications.
Transfer Fee[11]	$15,000 plus any broker fees, selling expenses, and commissions.	Prior to the date of transfer.	All transfers are subject to our approval and require the transferee's satisfaction of our training requirements.
Renewal Fee[12]	$10,000	Upon signing renewal Franchise Agreement.	If we approve renewal of your Franchise Agreement, at the time of renewal, you will be required to sign our then-current Franchise Agreement and pay the Renewal Fee.
Relocation[13]	Varies	Upon relocating the Franchise Business.	See Note 13 below.

Explanatory Notes

1. General. The table above discloses recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part on behalf of a third party. All fees and expenses described in this Item 6 are nonrefundable and, except as otherwise noted, are imposed uniformly. All recurring fees and other amounts owed to us and/or our affiliates must be paid by electronic funds transfer from the bank account in which you deposit revenue from operating the Franchised Business (the "EFT Account").

2. Royalty. "Gross Sales" includes all revenue from the sale of all products and performance of services from the Franchised Business, whether in the form of cash, credit, barter, or rebates, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business, including any consideration that you receive from third-party vendors/suppliers. "Gross Sales" does not include monies that are collected and submitted by you for transmittal to appropriate taxing authorities (such as sales tax), discounts, allowances and returns (including cash refunds). You must send us a signed Gross Sales Report ("Gross Sales Report") by the 10th day of each month for the previous month in the manner and form we specify. Each Gross Sales Report must state your: (i) Gross Sales generated during the period; (ii)

calculation of Royalty and Brand Fund Contribution; (iii) profit and loss statement for the prior month; and (iv) any other information we may require. We may change the form and content of the Gross Sales Reports from time to time and/or require you to submit Gross Sales Reports on a different schedule upon notice to you.

3. Brand Fund Contribution. You must contribute the greater of 1% or $250 of Monthly Gross Sales to the Brand Fund. We reserve the right to increase your Brand Fund Contribution to the greater of 2% of Gross Sales per month or $500. See Item 11 of this Disclosure Document for additional information regarding the Brand Fund and your other marketing obligations.

4. Regional Cooperative Contribution. We have the right, but not the obligation, to create a cooperative advertising program for the benefit of the System located within a particular region (a "Cooperative"). We have the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative, and to require that you participate in the Cooperative that purchases advertising or promotions affecting your Designated Territory.

5. Extension Deadline Fee. If, despite using your best efforts, you fail to meet an opening deadline under your Franchise Agreement and/or Development Agreement, as applicable, you may apply for a 120-day extension to the opening deadline by submitting a written extension request detailing the efforts you have undertaken to meet the development deadline and the reason for the delayed opening. If we grant the 120-day extension, you will be required to pay an extension fee of $1,500. If you are developing multiple Studios and wish to extend the opening deadline for more than one of them, you may do so but must pay the $1,500 extension fee for each Studio the deadline extension is requested. If you do not meet your opening deadline for one or multiple Studios and an extension has either i) not been requested, or ii) not been approved, we reserve the right to terminate your rights, take back the subject territory and sell it to another interested party.

6. Indemnification. You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims, or demands arising out of, or related to, the operation of your Studio. Your indemnification obligations are described more fully in the Franchise Agreement.

7. Legal Costs. If we prevail in any action or other legal/administrative proceeding brought against you arising out of the Franchise Agreement or any other agreement with us, you must reimburse us for our reasonable attorneys' fees and other costs paid that we incurred in such proceedings in the event we prevail. If you bring any legal action to interpret or enforce the terms of the Franchise Agreement or any other agreement with us, and you claim in such action is denied or the action is dismissed, then we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the matter, and to have such an amount awarded to us as part of the judgment in the proceeding.

8. Annual Conference. We may, in our discretion, hold an Annual Conference and require your attendance, for which you must pay our then current registration fee, which is currently $950 for two participants, with additional attendees billed at the then-current rate. You are required to pay this fee whether you attend the Annual Conference or not.

9. Equipment Upgrades. You must periodically re-equip your studio pursuant to our plans and specifications as we deem necessary upon inspection. At a minimum, you must replace and update all infrared sauna equipment every four years. We estimate the costs to re-equip your facility will range from $60,000 to $72,000 every four to six years. This is only an estimate. Your actual costs may be higher or lower depending on the size of your Studio, the volume and usage of your

members, or changes in the market. We will advise you six months prior to requiring any substantial replacement of your sauna equipment. If the general state of repair, appearance or cleanliness of your franchise, or its fixtures, equipment, furniture, or signs does not meet our standards and if, after notice, you fail or refuse to initiate or maintain a program to complete the required maintenance, we have the right to enter the franchise location and do the maintenance on your behalf and at your expense.

10. Studio Upgrades. You must periodically upgrade and/or remodel your physical premises as we deem necessary upon inspection, or otherwise require. However, except for signage, we will not require substantial remodeling more often than every five years during the term of the franchise agreement. We estimate the costs to upgrade and/or remodel will vary depending on the wear and tear on your facility, size, and age of your location. Your actual costs may be higher or lower depending on the size and location of your Studio. We will advise you six months prior to requiring any substantial remodeling. If the general state of repair, appearance or cleanliness of your franchise, or its fixtures, equipment, furniture, or signs does not meet our standards and if, after notice, you fail or refuse to initiate or maintain a program to complete the required maintenance, we have the right to enter the franchise location and do the maintenance on your behalf and at your expense.

11. Transfer Fee. You must pay us a transfer fee equal to $15,000. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us.

12. Renewal Fee. Before we approve the renewal of your Franchise Agreement, you must pay us a renewal fee equal to $10,000 (the "Renewal Fee"). We have a number of additional conditions that you must meet in order to renew your Franchise Agreement. See Item 17 of this Disclosure Document for additional information regarding renewal.

13. Relocation. Franchisee will be allowed to change the location of the Franchised Business. Franchisee will be required to reimburse us for our costs in reviewing the new location.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT UNDER THE FRANCHISE AGREEMENT[1]

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee[2]	$59,900	Lump sum, Check or wire transfer	When you sign the Franchise Agreement	Us
Rent and Security Deposit[3]	$5,400 - $10,500	Check	Upon signing lease	Landlord
Construction Management[4]	$19,000	Lump sum, Check or wire transfer	Within 30 days after signing the Franchise Agreement	Vendors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Utilities[5]	$500 - $2,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Architect Fee[6]	$13,000-15,000	Check, debit, and/or credit	As incurred	Vendors
Leasehold Improvements[7]	$231,906 - $301,392	Check	As incurred or when billed	Contractors
Initial Advertising Spend[8]	$22,550 - $27,550	Check, debit, and/or credit	As incurred or when billed	Us, Vendors and Suppliers
Pre-Opening/Pre-Launch Consulting and Membership Services[9]	$0-$50,000	Check, debit, and/or credit	Within 30 days after you sign your lease	Us or Vendors
Inventory, Furniture, Fixtures, and Equipment (Initial Equipment and Supply Package)[10]	$129,153 - $169,649	Check, debit, and/or credit	As incurred	Us, Vendors and Suppliers
Computer Systems[11]	$1,000 - $2,000	Check, debit, and/or credit	As incurred	Vendors and Suppliers
Insurance[12]	$4,000 - $6,000	Check, debit, and/or credit	Upon ordering	Insurance Company
Signage[13]	$8,000 - $14,000	Check, debit, and/or credit	Upon Ordering	Vendor
Office Expenses	$500 - $1,500	Check, debit, and/or credit	As incurred	Vendors
Licenses and Permits[14]	$500 - $1,500	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)[15]	$1,500 - $3,000	Check, debit, and/or credit	As incurred or when billed	Professional Service Firms

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Travel, lodging, and meals for initial training[16]	$1,000 - $6,000	Cash, debit, and/or credit	As incurred	Airlines, Hotels, and Restaurants
Additional Funds (for first 3 months)[17]	$15,000 - $50,000	Varies	Varies	Employees, Suppliers, Utilities
Total[18]	**$512,909 - $738,991**			

Notes

Note 1. All fees and payments are non-refundable, unless otherwise stated, or permitted. The chart above estimates your initial investment to begin operating a Franchised Business. Actual costs will vary for each franchise location depending on a number of factors including market conditions and the geographic location of your Franchised Business. We do not offer direct or indirect financing. The estimates are based on the experience of our affiliates in establishing a System business as well as our franchisees in opening up a System business.

Note 2: Initial Franchise Fee. The Initial Franchise Fee is $59,900 for a Franchised Business. You must pay the Initial Franchise Fee in full upon signing the Franchise Agreement. For qualified individuals who were (i) honorably discharged from any branch of the United States Military, or (ii) are currently employed as a first responder (firefighter, law enforcement officer, paramedic, emergency medical technician, or other individual who, in the course of their professional duties, responds to fire, medical, hazardous material, or other similar emergencies), the Initial Franchise Fee is discounted by $5,000.

Note 3: Rent and Security Deposit. We require that you manage and operate your Studio from an approved facility. The low end of this estimate assumes that you will only have to pay a security deposit at the time of signing your lease. The estimated range is based on leases signed in the calendar year of 2023 by our franchisees.

Note 4: Construction Management. We require that you hire a construction management company that will oversee the Studio construction process (beginning with site selection and ending with the issuance of a certificate of occupancy.

Note 5: Utilities. You will be required to pay upfront deposits to each applicable utility company to secure the appropriate utilities for the operation of your Studio, including electricity, water, sewer, gas, and Internet access.

Note 6: Architect Fee. We require that you hire an architect that will oversee the Studio design process.

Note 7: Leasehold Improvements. Our estimate for your initial expense for leasehold improvements assumes that you will lease the space from which you operate your Studio. Our standard franchise offering, and corresponding Item 7 Chart estimate assumes that the Premises of your Studio will be around 1,300 to 1,800 square feet with an appropriate design and layout that allows the space to accommodate the appropriate rooms without substantial construction or demolition to the existing space. The low end of this estimate assumes that you will receive tenant improvement allowance from your landlord. If you choose to operate your Studio in a space larger than 1,800 square feet, then your costs and expenses may be higher.

Note 8: Initial Advertising Spend. During an initial period of approximately 30 days before the Franchised Business opens and 30 days after the Franchised Business opens, you will be required to expend between $20,000 - $25,000 on the Initial Advertising of the Franchised Business. In addition to the Initial Advertising Spend, $850/month will be paid to us or the then-current management fee for an approved supplier to conduct Initial Advertising on your behalf.

Note 9: Pre-Opening/Pre-Launch Consulting and Membership Services. You must undertake a pre-launch and pre-opening membership sales drive according to our standards and requirements. Depending on your pre-launch and pre-opening activities, you will spend between $0 and $50,000 on prelaunch consulting and membership drive services. StackIt, one of our affiliates described in Items 1 and 5, offers these consulting and membership services to our franchisees. If you choose to purchase these services from StackIt, you must pay to StackIt between $0 and $50,000.

Note 10: Inventory, Fixtures, Furniture, and Equipment (Initial Equipment and Supply Package). This estimate covers the equipment (saunas, red light system), 42-50" touchscreen monitor, iPads, some furniture, fixtures, and other items such as décor, retail display, shelving, and related items necessary to furnish the Studio. The Initial Equipment and Supply Package includes an initial supply of apparel, promotional items, and event kit for your Studio.

Note 11: Computer Systems. You will need one desktop computer and an all-in-one printer to operate your Studio.

Note 12: Insurance. You are required to maintain certain insurance for the operations of the Studio. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company provider. Insurance premiums may be payable monthly, quarterly, semi-annually, or annually, based on the insurance company's practices and your creditworthiness.

Note 13: Signage. You are required to obtain and display signage for your Studio. The high end of this estimate assumes that you will obtain multiple signs.

Note 14: Licenses and Permits. You must apply for, obtain, and maintain all required permits and licenses necessary to operate the Studio. The licenses will vary depending on local, municipal, county, and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due prior to opening the Studio.

Note 15: Professional Fees (lawyer, accountant, etc.). We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering.

Note 16: Travel, lodging, and meals for initial training. Prior to opening your Studio, you must complete our Initial Training Program. We do not charge a fee for our Initial Training Program; however, you will incur travel and lodging costs associated with attending the Initial Training Program. You are responsible for the food, travel, and lodging expenses that you and your employees will incur when you attend the Initial Training Program, and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available. This estimate is for the cost for you and up to three (3) additional employees to attend the Initial Training Program.

Note 17: Additional Funds. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, Technology Fees, Royalty Fees, Local Marketing, Brand Fund Contributions, additional inventory, rent, and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: (i) the development of a beem® Light Sauna studio business by our affiliates; (ii) our general knowledge of the industry; (iii) general trends in the industry; and (iv) estimates received from vendors and suppliers.

Note 18: Total. Your actual expenses for establishing and operating this business may vary from the estimates that we have set forth in this Item 7 Chart. Some states have laws that impose staffing or operational requirements that will significantly increase the amounts you will have to spend to open and operate your Studio. You should review this amount carefully with a business advisor or legal advisor before making any decision to purchase the franchise. We also recommend that you account for any potential inflation, discretionary expenditures, fluctuating interest rates, and other costs of financing, the local market conditions, and overall economic conditions, all of which can be highly variable and can result in substantial, rapid, and unpredictable increases in costs. We do not offer financing for any part of the initial investment. The availability and terms of financing with third-party lenders will likely depend on the availability of financing generally, your creditworthiness, policies of lending institutions concerning the type of business to be operated and other similar factors.

B. INITIAL ESTIMATE UNDER THE AREA DEVELOPMENT AGREEMENT[1]

Type of Expenditure	Offering	Amount	Method of Payment	When Due	To Whom Payment is Made To
Development Fee[2]	3-Pack	$134,900	Varies	Upon Execution of Development Agreement	Us
	5-Pack	$189,900			
	10-Pack	$289,900			
Initial Investment to Open Initial Studio[3]		$453,009 - $679,091	Varies	Varies	Varies
Total	**3-Pack**	**$587,909 to $813,991**	This is the total estimated initial investment to enter into a Development Agreement for the right to develop each of the multi-unit offerings we typically offer under a Development Agreement, as well as the costs to open and commence operating your initial Studio (as described in Chart A of this Item 7).		
	5-Pack	**$642,909 to $868,991**			

Notes

Note 1. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to develop a total of three (3), five (5), and ten (10) Studios, respectively, as well as the initial investment to develop your first Studio under your Development Schedule.

Note 2. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to develop a total of three (3), five (5), and ten (10) Studios.

Note 3. This figure represents the total estimated initial investment required to open the initial Studio you agreed to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Studio you open under your Development Agreement, most likely once you have engaged us for site selection. The range includes all the items outlined in Chart 7(A) of this Item, except for the Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for the Studio). It does not include any of the costs you will incur in opening any additional Studio that you are granted the right to open and operate under your Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Studio in strict conformance with our methods, standards, and specifications which we prescribe in our confidential operations and training manual and various other confidential manuals and writings prepared by us for use by you in operating a Franchised Business (collectively the "Operations Manual"), and which we may change and modify in our sole discretion. The Operations Manual shall remain confidential and is our exclusive property. You shall not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of the Franchise Agreement as if they were fully written in the Franchise Agreement. You shall ensure that your copy of the Operations Manual is current and up to date. If there is a dispute relating to the contents of the Operations Manual, the master copy, which we maintain at our corporate headquarters, will control.

Approved Products and Approved Services

You may only offer Approved Products and Approved Services from your Franchised Business. We will provide you with a list of both the Approved Products and Approved Services. All Approved Products and Approved Services must meet our standards and specifications. We have the right to require you to purchase certain items approved or designated by us to: (i) better assure the quality of the Approved Products and Approved Services; (ii) assure the supply of the Approved Products or Approved Services; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies. You will not receive any material benefit from approved or designated suppliers.

You must offer services in the manner we prescribe, and otherwise operate the Studio in such a manner which will serve to emulate and enhance the image intended by us for the System.

We formulate and modify our standards and specifications for products and services based upon the collective experience of us and our franchisees. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the Franchised Business, including standards and specifications for services, products, signs, furnishings, supplies, fixtures and equipment by written notice to you or through changes in the Operations Manual. You may incur an increased cost to comply with these changes, which you must pay at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

There are currently no purchasing or distribution cooperatives in existence for the System. We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the establishment and/or operation of your Franchised Business.

During our fiscal year ending December 31, 2023, we derived $921,561.88 in revenue from franchisees' required purchases, which amounts to 15.27% of our total revenue of $6,033,893. Our affiliate, StackIt, also provided pre-launch consulting and membership services to our franchisees during our fiscal year ending December 31, 2023. StackIt derived $32,284 in revenue from franchisees' purchases of these consulting and membership services during our fiscal year ending December 31, 2023.

We estimate that your required purchases and leases will account for approximately 80% of your total costs incurred in establishing your Franchised Business, and approximately 50% to 80% of your ongoing costs to operate the Franchised Business after the initial start-up phase.

Approved Suppliers

We have the right to require you to purchase or lease any items or services necessary to operate your Franchised Business, including but not limited to goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of our Operations Manual or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we require you to purchase or lease the following items from us or an Approved Supplier for some or all: (i) Initial Equipment and Supply Package and other equipment and supplies; (ii) apparel; (iii) ancillary products; (iv) flooring; (v) nutritional products; (vi) music license; (vii) computer hardware and software; (viii) social media and/or digital advertising/Initial Marketing and Local Marketing; (ix) lighting; (x) pre-launch and pre-opening consulting and membership sales drive services and (xi) promotional items, which will be used and sold from the Studio. Outside of these items, none of our officers owns an interest in any supplier to our franchisees.

For items that we or an affiliate supply, we will use commercially reasonable efforts to make reasonably adequate quantities of these items available to you. You are responsible for ordering these items and for the cost of shipping and delivery. We reserve the right to alter payment terms as we may determine is appropriate for you. Neither we nor our affiliates are currently Approved Suppliers for any items except as listed above.

Supplier Testing and Approval

In the event you wish to purchase any unapproved item, including equipment and inventory, and/or acquire approved items from an unapproved supplier, you must provide us with the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. We will attempt to notify you of our approval or disapproval within 60 days of receiving all necessary information concerning the proposed item or supplier. You must pay the then-current new supplier or product review fee, which is currently $1,000. We are not required to approve any particular supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable in the System as a whole. Upon request, we will provide you with our criteria for approving alternative suppliers. We are not required to approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such suppliers. You must use products purchased from approved suppliers solely in connection with the operation of your Franchised Business and not for any competitive business purpose.

Advertising and Marketing Materials

All materials bearing the Proprietary Marks (including, but not limited to, stationary, business cards, brochures, apparel, and displays) must meet our standards and specifications and must be purchased from either us directly or our Approved Supplier. All of your marketing materials must be approved by us before you use them. You may market your Franchised Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our Approved Supplier. We may require that you use our Approved Supplier for Local Marketing services and use our social media platforms and marketing channels.

Real Estate

Your business location is subject to our review and our approval and must meet our specifications. You must have your landlord execute our form of Collateral Assignment (attached to this Disclosure Document as Exhibit F).

Insurance

You must procure and maintain insurance covering the operation and location of the Franchised Business prior to signing the lease for the Franchised Business. Our present insurance requirements are as follows: (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Studio, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, with umbrella coverage of $2,000,000; and (iv) Workers Compensation coverage as required by state law. You must maintain these insurance levels throughout the term of your Franchise Agreement, or otherwise obtain the insurance that we specify in our Operations Manual.

You must provide us with proof of coverage on demand. You will agree to carry this insurance as may be required in connection with any lender or equipment lessor you select. You must obtain these insurance policies from insurance carriers that are rated “A” or better and that are licensed and admitted in the state in which you operate your Studio. All insurance policies must: (i) name us (and our members, officers, directors, and employees) as additional insureds; and (ii) contain a waiver by the insurance carrier of all subrogation rights against us. Furthermore, you shall be required to provide 60 days prior written notice of the termination, expiration, cancellation or modification of any insurance policy.

You must annually submit a certification of insurance which demonstrates compliance with our insurance requirements. If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep it in force and effect, and you shall pay us, on demand, the premium cost and administrative costs of 10% in connection with our obtaining the insurance. We have the right to increase or otherwise modify the minimum insurance requirements upon written notice to you, and you shall comply with any such modification within the time specified in the notice.

Computer Hardware and Software

Presently, you must purchase the required hardware, software, computer system that we specify. Our present computer hardware and software requirements are discussed further in Item 11 of this Disclosure Document, and are also discussed in detail in our Operations Manual.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.2, 7.1 and Site Selection Addendum	Section 1 and Exhibit A	Items 7, 11, 12 and 17
b. Pre-opening purchases/leases	7.1, 7.4, 7.5 and Site Selection Addendum	Not Applicable	Items 7 and 8
c. Site development and other pre-opening requirements	7.3 and 7.4	Sections 1, 5 and Exhibit A	Items 6, 7, 8 and 11
d. Initial and ongoing training	6.4, 6.5, 7.2 and 8	Not Applicable	Item 11
e. Opening	6.10, 7.3	Not Applicable	Item 11
f. Fees	3, 6.3, 6.7, 8.1, 8.2, 12.4, 12.6 and 22.8	Section 2	Items 5, 6 and 11
g. Compliance with standards and policies/ Operations Manual	6.1, 7.6, 7.7, 7.8, 7.9, and 7.10	Not Applicable	Items 8 and 11
h. Trademarks and proprietary information	4, 5 and 7.15	Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	6.1, 6.2 7.4, 7.5, 7.6 and 7.8	Not Applicable	Items 8, 12 and 16
j. Warranty and customer service requirements	7.10, 7.11, and 7.12	Not Applicable	Item 15
k. Territorial development and sales quotas	1.3 and Site Selection Addendum	Section 1 and Exhibit A	Items 12 and 17
l. Ongoing product/service purchases	6.1,7.4, 7.5, 7.6, 7.9, 7.13	Not Applicable	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	2.2.3, 6.2, 7.1.2, 7.1.3, and 7.18	Not Applicable	Items 6, 8 and 11
n. Insurance	9	Not Applicable	Items 6, 7 and 8

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
o. Advertising	7.11, 12	Not Applicable	Items 6, 7 and 11
p. Indemnification	13.2	Not Applicable	Item 6
q. Owner's Participation/management/staffing	7.6	Not Applicable	Items 11 and 15
r. Records and reports	10 and 11	Not Applicable	Item 6
s. Inspections and audits	7.7, 11 and 16.1.9	Not Applicable	Items 6 and 11
t. Transfer	14	Section 8	Item 17
u. Renewal	2.2	Not Applicable	Item 17
v. Post-termination obligations	16 and 17.2	Not Applicable	Item 17
w. Non-competition covenants	17	Section 6	Item 17
x. Dispute Resolution	18	Section 11 through 19	Item 17
y. Guaranty	20 and Exhibit A	Not Applicable	Item 15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease or other 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.

A. Pre-Opening Obligations

Before you open your Franchised Business, we will do the following:

1. *Your site*. We will review and advise you regarding potential locations that you submit to us and whether they meet our standards and specification for a premises. (Franchise Agreement, Section 7.1 and Exhibit B). If you sign an Area Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. Although we are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site, our franchisees are approved access to expert resources which are free of cost to them.

   a. We generally do not own your premises.

b. If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site. (Franchise Agreement, Data Sheet). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require.

c. The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

d. The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Franchise Agreement, Section 7.1 and Exhibit B). If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default of the Franchise Agreement.

e. We are not obligated to assist you in confirming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility. Our franchisees are provided access to expert resources that will be helpful in this process.

2. *Construction, Remodeling, or Decorating the Premises*. We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor. While we recommend that you use our Approved Supplier for these services, you may use a third party that you choose, however, we reserve the right to review and approve any such plans and drawings for the layout of the Premises. (Franchise Agreement, Section 7.1.2).

3. *Staffing and Operations*. We will provide you with our suggested staffing levels (Franchise Agreement, Section 6.1) and operational instructions in the Manual which you can use as part of your training of your new employees (Franchise Agreement, Section 6.1), and our initial training program described below.

4. *Necessary equipment, signs, fixtures, opening inventory, and supplies*. We will provide you with a list of our specifications and approved suppliers for the Initial Equipment and Supply Package and other equipment, signs, fixtures, and supplies necessary to open your business. (Franchise Agreement, Section 6.2). We do not provide these items directly; we only provide the names of Approved Suppliers. We do not deliver or install these items.

5. *Operating Manual*. We will give you access to our Operating Manual after you sign the Franchise Agreement, which will be amended periodically. (Franchise Agreement, Section 6.1). The Operations Manual as of the Issuance Date of this Disclosure Document is currently 19 pages. The Table of Contents of the Operations Manual is included as Exhibit B to this Disclosure Document.

6. Pre-Opening Minimum Membership Enrollment. We will designate in the Operating Manual the minimum number of paid memberships that we will require you to sell before opening the Franchised Business (currently, we require not less than 100 pre-opening membership sales). (Franchise Agreement 7.3.2)

7. *Initial Training Program*. We will conduct our Initial Training Program, which is described in further detail below. (Franchise Agreement, Section 8.1).

8. *Business Plan Review*. If you request, we will review your pre-opening business plan and financial projections. (Franchise Agreement, Section 6.8).

9. *Market Introduction Plan*. We will advise you regarding the planning and execution of your market introduction plan. (Franchise Agreement, Section 6.9).

10. *On-site Opening Support*. We will have 1-2 representatives provide on-site support for 3-5 days in connection with your business opening. (Franchise Agreement, Section 6.10).

11. *Inventory*. We will provide you with the opening inventory and supplies including apparel, promotional items, and nutritional supplements. These are provided directly from us.

B. <u>Site Selection</u>

You must obtain our approval for the location of your Studio as set forth in the Franchise Agreement and our standards for sites and territories will apply. Generally, we do not own or lease the real property that will serve as your Studio and you are responsible for all costs and expenses in locating and evaluating proposed sites for your Studio. Before you enter into a lease or other agreement for your Studio, you must obtain our approval. We will provide you with site selection guidelines. Your Studio must be located within your Designated Territory at a site that we approve. If you fail to have your Studio approved by us, this may give rise to termination of the Franchise Agreement by us. (Section 1.2 and Exhibit B of the Franchise Agreement).

Although there is no specified time limit for us to review the proposed site for your Studio, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site. The general site selection and evaluation criteria or factors that we consider in approving your site include, among other things, the condition of the premises, vehicular and pedestrian access, population demographics of the surrounding area and general suitability.

Within 90 days of signing your Franchise Agreement, you must secure a Studio and lease that we approve (Section 7.1 of the Franchise Agreement). If you do not meet this requirement for any reason, including our disapproval of a proposed business location, we may terminate your Franchise Agreement without refunding any fees to you. It is your obligation to consult with government agencies, architects and legal professionals to evaluate and determine that your Studio permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a business that offers and provides the Approved Products and Approved Services. (Section 7.14 Franchise Agreement).

You may not open the Franchised Business until you have completed our initial training requirements, obtained the necessary licensing (including music licenses) and authorization from state and regulatory agencies within your Designated Territory, obtained and provided to us with written proof of the required insurance, completed all pre-opening obligations, and have timely secured a Studio that we approved. If you do not meet this requirement for any reason, we may terminate your Franchise Agreement without refunding any fees to you. However, you may request a one-time extension of the opening deadline by requesting such extension to us in writing and paying us a fee of $1,500. If your request is approved, you will receive an additional 120 days to open your Studio.

We estimate the length of time between the signing of your Franchise Agreement and opening your Franchised Business to be approximately between 7 and 10 months. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site for your Studio that is approved by us; (b) length of time undertaken by you to complete our initial training program to our satisfaction; (c) negotiating and obtaining a suitable lease for your Studio that is approved by us; (d) obtaining third-party lender financing, if necessary; and (e) obtaining the necessary licenses for the operation of your Franchised Business. You must open your Franchised Business within 90 days from when you complete the Initial Training Program, otherwise we may terminate your Franchise Agreement without refunding any fees to you. (Section 7.3 Franchise Agreement).

C. Initial Training Program and Other Training

The following chart summarizes the subjects covered in our Initial Training Program:

TRAINING PROGRAM

Subject	Hours of beem® Online Training	Hours of Classroom Training	Hours of On- The-Job Training (in Studio)	Location
Business Owner Training	1	2	1	Our Current Location, Charlotte, North Carolina, Franchisee's Location, or Virtual Training
Business Operations	1	4	1	
Sales	2	4	2	
Marketing	1	4	2	
Traditional Marketing	1	2	2	
Science & Technology	1	3	1	
CRM	2	2	1	
Total:	**9**	**21**	**10**	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes four to six times per year. Training will be held at one of our beem® Light Sauna studios in the Charlotte, North Carolina area, and at our corporate headquarters in Huntersville, NC. We reserve the right to offer any portion or all the Initial Training Program through remote learning.

Instructional materials that will be utilized during the Initial Training Program include our Operations Manual, didactic session, group discussion, and on-the-job demonstration and practice in an operating studio.

Our Initial Training Program consists of virtual Franchisee Training, in person Training, as well as online beem® University. This is conducted by our Home Office team responsible for educating in their respective expertise in the business, including but not limited to our then-current Manager of Sales Training, in addition Roger Martin and Cynthia Wagner our co-founders. Roger Martin has been with us since our inception and has over 21 years of experience in the subjects that he teaches. Cynthia Wagner has been with us since our inception and has over 11 years of experience in the subjects she teaches. We use several educational strategies to ensure a maximum learning environment is created. We reserve the right to offer any portion of or all of the Initial Training Program online via remote training.

There is no fee for up to 4 people to attend training, the Owner, Designated Manager, and staff. Not all those personnel are needed to operate a franchise, but a franchisee may have additional personnel and they could all come to the Initial Training Program. You must pay the travel and living expenses of people attending training.

If the franchise is owned by an entity, then the principal and the Designated Manager of the Studio must attend the Initial Training Program. You may send any additional persons to training that you want (up to a maximum of 4). Franchisee personnel must complete the training program to Franchisor's satisfaction at least 45 days prior to the soft opening of the franchise.

Your business needs to be under your on-site supervision or under the on-site supervision of a Designated Manager who has completed our Initial Training Program. There will be a yearly requirement to complete ongoing training and best practices implementation, but some of this may be done remotely. If the Franchisee or Designated Manager changes, Franchisor will require the new Designated Manager to go through the Initial Training Program. If you need to send a new Designated Manager to our training program, we will charge a fee, which is currently up to $350 per day.

D. <u>Obligations After Opening</u>

1. *Developing Products or Services You Will Offer to your Customers*. If we refine and develop products or services for you to offer to your customers, then we (or an approved supplier) may provide those to you.

2. Staffing and Operational Instruction. We will provide you with our suggested staffing levels (Franchise Agreement, Section 6.1) and operational instructions in the Manual, which you can use as part of training new employees (Franchise Agreement, Section 6.1). All hiring decisions and conditions of employment are your sole responsibility.

3. *Improving and Developing Your Business; Resolving Operating Problems You Encounter*. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Franchise Agreement, Section 6.4).

4. *Establishing Prices*. Upon your request, we will provide recommended prices for products and services. (Franchise Agreement, Section 6.4). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

5. *Establishing and Using Administrative, Bookkeeping, Accounting, and Inventory Control Procedures*. We will provide you with our recommended procedures for administration, bookkeeping,

accounting, and inventory control. (Franchise Agreement, Section 6.1). We may make any such procedures part of required (and not merely recommended) procedures for our system.

6. *Brand Development Fund.* We will administer the Brand Development Fund. (Franchise Agreement, Section 12.4).

7. *Website*. We will maintain a website for the beem® Light Sauna brand, which will include your business information, address, and telephone number. (Franchise Agreement, Section 12.3).

Advertising

Brand Fund

We have established, and we currently administer, a Brand Fund (the "Fund") for advertising and brand marketing purposes. (Section 12.4 of the Franchise Agreement). You are required to participate in and contribute the greater of $250 or 1% of your monthly Gross Sales. We reserve the right to increase your Brand Fund Contribution to the greater of 2% of month Gross Sales or $500 per month. Company-owned and/or affiliate-owned outlets are not required to, but may, contribute to the Fund. We have the right to use contributions to the Fund, in our sole discretion, to develop, produce, and distribute national, regional and/or local advertising/marketing and promotions and to create advertising materials and public relations materials which promote, in our sole judgment, the services offered by the System. (Franchise Agreement, Section 12.4). We may use contributions to the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an Internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. Not all System franchisees will benefit directly or on a pro rata basis from the Fund's expenditures. (Franchise Agreement, Section 12.4). While we do not anticipate that any part of the Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to include a notation in any advertisement indicating "Franchises Available." (Franchise Agreement, Section 12.4).

Advertising materials will be prepared by us and by outside sources. There is no requirement that the Fund be audited. We will prepare on an annual basis and will have available to you within 120 days of the end of the fiscal year, a general statement of contributions and expenditures for the Fund, which will be provided to you upon your written request. (Franchise Agreement, Section 12.4).

During our fiscal year ending December 31, 2023, we used monies from the Fund as follows: 9.55% on production, 9.79% on media placement, 0% administrative expenses, 57% of consultant referrals, 3.4% on graphic design, and 19.92% on website development.

We may at any time defer or reduce a Studio franchisee's contributions to the Fund and, upon at least 30 days' written notice to you, reduce or suspend Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) Fund. If we terminate the Fund, we will (at our option) either spend the remaining Fund assets according to this Item 11 or distribute the unspent assets to Studio franchisees (including us and our affiliates, if applicable) then contributing to the Fund in proportion to their contributions during the preceding 12-month period.

Local Marketing Requirement

In addition to the National Brand Fund Contribution, each month you are required to spend $1,500 per month on advertising and promoting your Franchised Business within the Designated Territory in accordance with our standards and specifications (the "Local Marketing Requirement"). You must use an approved supplier to meet your Local Marketing Requirement, which supplier may include us or one of our affiliates. If, to fulfill its Local Marketing Requirement, you elect to have us (or our affiliate) conduct monthly local marketing and promotions, then we will undertake such local marketing and promotion activities as we deem appropriate in our sole judgment. In exchange, you must pay to us each month: (1) $1,500, plus (2) our then-current monthly ad management fee. If you use a an approved supplier other than us (or our affiliate) to meet your Local Marketing Requirement, then you must pay that approved supplier its then-current ad management fee. The ad management fee does not count toward your Local Marketing Requirement. You must undertake your Local Marketing Requirement regardless of the amount(s) spent by other System franchisees on local marketing. you may spend any additional amounts you wish on local marketing and promotions. You must use only the advertising and promotional materials that we have previously approved. You must send us proof of these expenditures. Your local marketing and promotions efforts will include advertisement of the Franchised Business in any print or online directory listings we require, which advertisements you must submit to us for approval prior to placement. We are not required to spend any amount on advertising in your Designated Territory, but we may do so at our sole discretion. (Franchise Agreement, Sections 3.4, 6.3 and 12.6).

Promotional Programs

If at any time during the term of the Franchise Agreement, but not before the end of the 12-month period following the Opening Date of the Franchised Business, your Gross Sales are not at least 70% of the annual, average Gross Sales of all franchised businesses that have operated their businesses for at least 12 months, then we may require you to participate in a special promotional program that we implement, and you must pay the costs of doing so with such costs not to exceed $3,000. (Franchise Agreement, Section 12.7).

Initial Advertising Spend

You are obligated to expend between $20,000 - $25,000 on the initial advertising of the Franchised Business. You will be required to pay an ad management fee of $850/month to us or an approved supplier to conduct the Initial Advertising on your behalf. The range of $20,000 - $25,000 does not include the ad management fee. (Franchise Agreement, Section 12.8).

Local or Regional Advertising Cooperative

There are currently no regional Cooperatives in existence for the System. However, we have the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional Cooperative, and to determine whether a Cooperative is applicable to the Franchised Business. If a Cooperative has been established applicable to the Franchised Business at the time you begin operating under the Franchise Agreement, you must immediately become a member of this Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time during the term of the Franchise Agreement, you must become a member of this Cooperative no later than 30 days after the date on which the Cooperative begins operation. If your Franchised Business is within the Territory of more than one Cooperative, you must be a member of only one of these Cooperatives. (Franchise Agreement, Section 12.5).

Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by us. (Franchise Agreement, Section 12.5). Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local marketing and promotions. (Franchise Agreement, Section 12.5). No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All plans and materials must be submitted to us in accordance with the procedure set forth in Section 12.1 of the Franchise Agreement. (Franchise Agreement, Section 12.5).

All activities and contributions to the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative, subject to our approval, which we will not unreasonably withhold. Such contributions may exceed the Local Marketing Requirement; provided, however, that you will receive credit for Cooperative contributions against the Local Marketing Requirement. (Franchise Agreement, Section 12.5.4).

Each member franchisee must submit to the Cooperative, no later than the 1st of each month, for the preceding month, its respective contribution as provided in the Franchise Agreement together with other statements or reports as we may require or as may be required by the Cooperative with our approval. (Section 12.5.5 of the Franchise Agreement). No other annual or periodic financial statements need to be provided by the Cooperative other than those submitted by its member franchisees.

We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of the franchisee stating reasons supporting this exemption. Our decision concerning this request for exemption will be final. (Section 12.5.7 of the Franchise Agreement).

Advertising Council

We do not have an advertising council composed of franchisees. The Franchise Agreement does not give us the power to form an advertising council.

<u>Computer System</u>

You must purchase and use any and all computer software programs ("Software") which we have developed or may develop and/or designate for use for the System, and you must also purchase such computer hardware as may be necessary for the efficient operation of the Software. We have the right to require you to update or upgrade computer hardware components and/or Software as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software. Although you must buy, use and maintain computer hardware and Software meeting our standards and specifications, you will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Software; and (ii) any and all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded. (Franchise Agreement, Section 7.8).

You must purchase and maintain at least (a) one desktop computer and (b) one all-in-one printer. You must use the cloud-based software for POS that we designate, email marketing, and all customer management functions. These systems will generate or store data such as sales data, customer information, employee and labor information, inventory, and financial reports. Your computer system must be PCI and PII compliant and any data or information you obtain must be secure.

You are required to participate in any System-wide area computer network, intranet system or extranet system that we implement, and you may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Operations Manual; (iii) download approved local marketing and promotions materials; (iv) communicate with us and other System franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. (Franchise Agreement, Section 7.9).

We estimate that the cost of obtaining the required computer system will be roughly between $1,000 to $2,000 if you currently own none of the required hardware, and we estimate that the annual costs of any optional or required maintenance, updating, or support contracts will be approximately $0 per year. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates.

You and your Designated Manager(s) must maintain Franchised email accounts, which will be provided to you, and you must give us electronic access to information on your company computer and hosted by software providers. No contractual limitation exists on our right to access the information. We may require you to upgrade or update your computer hardware, software and other office equipment. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data which you collect electronically.

Internet

You must have and maintain adequate hardware and software in order to access the Internet at the bit speed we require from time to time. We have established an Internet website that provides information about the System and the products and services offered. We have sole discretion and control over the website (including timing, design, contents and continuation). We may, but are not obligated to, create interior pages on our website(s) that contain information about your Franchised Business and other Franchised locations. If we do create these pages, we may require you to prepare all or a portion of the page for your Franchised Business, at your expense, using a template that we provide. All such information will be subject to our approval prior to posting. (Franchise Agreement, Sections 12.3.1 and 12.3.2).

You must not establish or maintain a separate website, splash page, social media profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised brand, System, or Franchised Business without our prior written approval. If you establish a separate website, it must comply with all of our standards and specifications. All websites for Franchised Businesses will be centrally managed from the corporate website to maintain consistency, consolidate views/likes/etc. and reduce the expense and time required by you to create and manage individual websites. (Franchise Agreement, Section 12.3.3).

We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System. (Franchise Agreement, Section 12.3.4). You acknowledge that we and/or our affiliates are the lawful, rightful and sole owner of the Internet domain name http://beemlightsauna.com as well as any other Internet domain names registered by us, and you unconditionally disclaim any ownership interest in such domain names and any colorably similar Internet domain names. You agree not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words (Franchise Agreement, Section 12.3.5).

ITEM 12
TERRITORY

You will operate the Franchised Business from one site located that we accept within your Designated Territory (defined below) and you may not relocate the Franchised Business without our prior written consent, which we will not unreasonably withhold, provided: (i) you secure an alternate location for the Franchised Business within the Designated Territory (defined below); and (ii) you reimburse us for the reasonable costs and expenses that we incur in connection with evaluating and approving the proposed relocation. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, we will not unreasonably withhold our written consent to relocate.

Franchise Agreement: Designated Territory

You will typically receive a territory which will consist of a geographic area that is the lesser of (i) a population of approximately 75,000 – 200,000 people, or (ii) a 3-mile radius from your Premises (the "Designated Territory"). Territories will be mapped based on the individual market circumstances for each unit sold. We will map out an area based on market research and the most recent available census data to come to territory modeling conclusions.

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. For so long as you are in compliance with the terms of your Franchise Agreement, we will not (i) establish any other brick and mortar business utilizing the Proprietary Marks and System from a location within your Designated Territory, or (ii) reduce or alter the size of your Designated Territory if the population within the Designated Territory increases. We will also not increase the size of your Designated Territory if the population decreases. We may establish alternate channels of distribution selling similar services and products, including e-commerce, the Internet, mail order or catalogs. We are not required to pay you any compensation for soliciting or accepting orders inside your territory obtained through these alternative channels of distribution. Although currently we have no plans to establish other franchises or company-owned or other channels of distribution selling or leasing similar products or services under a different trademark, there is nothing in the Franchise Agreement that prohibits us from doing so and we expressly reserve the right to do so.

Development Agreement: Development Area

Under the Development Agreement, you are granted the right to develop a specific number of Studios within a specific non-exclusive geographic area (the "Development Area"). The size of your Development Area will be determined based on our long-range development plans and the number of Studios you will develop (between three and ten studios). The Development Area will be described in an Exhibit to your Development Agreement using contiguous zip codes, county or state boundaries, or it may be described on a map. We do not approve the location of future units and any territories for those units under the development agreement, but rather pursuant to your Franchise Agreement. Our then-current standards for sites and territories will apply as set forth in the Franchise Agreement.

If you are not in compliance with your Development Agreement or you have not complied with the Development Schedule, we have the right to reduce the number of studios you may develop, reduce the size of your Development Area or terminate the Development Agreement.

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

If you fail to meet your Development Schedule requirements for whatever reason, we may terminate your Development Agreement and/or elect to remove your territorial rights in your Development Area. Otherwise, we will not modify your Development Area except by mutual agreement of the parties in a separate writing.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Continuation of your Designated Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Reservation of Rights under the Franchise Agreement and Development Agreement

The rights granted under the Franchise Agreement does not include any right to: (i) offer any product or service via e-commerce; (ii) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation of the Proprietary Marks; (iii) sell merchandise via wholesale; or (iv) otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in the Franchise Agreement.

Under the Franchise Agreement, we and our affiliates have the right, in our sole discretion, to: (i) own and operate Franchised Businesses at any location(s) outside of your Designated Territory under the same or different marks, or to license others the right to own and operate Franchised Businesses at any location(s) outside your Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (iii) own and operate Franchised Businesses or other businesses, or market similar products and services, at any location(s) inside your Designated Territory under different marks, or to license others the right to own and operate Franchised Businesses or businesses, or market products and services at any location(s) inside your Designated Territory under different marks; (iv) use the Proprietary Marks and/or System in connection with services and products online or through an application; (v) use the Proprietary Marks and/or System in connection with selling System equipment at any location inside or outside your Designated Territory; (vi) operate and license other the right to own and operate Franchised Businesses under the Proprietary Marks and System in non-traditional sites including, but not limited to, gyms, hotels, med-spas, salons, massage parlors, doctors' offices, or other self-care facilities; and (vii) engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

Certain of our or our affiliate's products or services, whether now existing or developed in the future, may be distributed in your Designated Territory by us, our affiliates, or our franchisees, licensees or designees, in such manner and through such alternate channels of distribution as we, in our sole discretion, shall determine. Such alternate channels of distribution will include, but are not limited to, sales of any products under the Proprietary Marks at or through the Internet or stores. The Franchise Agreement grants you no rights to: (i) distribute such products in alternate channels of distribution; or (ii) share in any of the proceeds received by any such party.

Additional Disclosures

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Continuation of your Designated Territory does not depend on you achieving a certain sales volume, market penetration, or other contingency.

We do not have present plans to operate or franchise a business under trademarks different from the Proprietary Marks that sells or will sell goods or services like those that will be offered by you through the Franchised Business, although we have the right to do so.

ITEM 13
TRADEMARKS

We grant you the right to operate the Franchised Business under the word mark "beem® Light Sauna," as described more fully in the table below. You may also use our other current or future trademarks to operate your Franchised Business. The term "trademark" includes service marks, trade names, slogans, insignia, logos, labels and trade dress.

We have registered the following mark on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	REGISTRATION NUMBER	REGISTER	REGISTRATION DATE
beem	6764304	Principal	June 21, 2022
	7301991	Principal	February 13, 2024

The proprietary Marks above are owned by us and will be licensed to you. We have, and will continue to, file all affidavits and other documents with the USPTO to maintain the federal registrations described above. Currently, there are no agreements in effect that materially or significantly limit our right to use or license the use of trademarks listed in this Item.

We have filed all applications for the Proprietary Marks listed above. There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right, though not the obligation, to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation, and to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We also have the right, though not the obligation, to defend you against any third-party claim, suit, or demand arising solely out of your use of the Proprietary Marks in a manner expressly authorized by us. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement and the Operations Manual, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement and the Operations Manual, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner not in accordance with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You cannot register any of the Proprietary Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the system on the Internet and to create, operate, maintain and modify, or discontinue using of a website using the Proprietary Marks.

You may use only the Proprietary Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Marks only for the operation of the Franchised Business and only at the Franchised Business or in advertising for the Franchised Business. You must use all Proprietary Marks without prefix or suffix and in conjunction with the symbols "SM," "TM," "S" or "R," as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any services or products, which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name beem® Light Sauna. You must promptly register at the office of the county in which your Franchised Business is located, or such other public office as provided for by the laws of the state in which your Franchised Business is located, as doing business under your assumed business name.

All of your advertising must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. You may use the Proprietary Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us, and we must approve all advertising, publicity, signs, stationary, business cards, forms, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, before first publication or use. We will not unreasonably withhold our approval. You must identify yourself as the owner of the Franchised Business (in the manner we prescribe) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing.

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

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or copyrights that are material to the franchise, however, we claim common law copyright and trade secret protection for several aspects of the System including our Operations Manual, advertising, and business materials. Additionally, we do not have any patent applications that are pending and material to this offering.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of this unauthorized use. We may revise any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including but not limited to information regarding the setup of a Franchised Business; information about proprietary merchandise; any proprietary software we may now or in the future create; our Operations Manual; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for equipment, design, equipment layout, and lighting; systems and training manuals; training systems; compensation systems; marketing strategies; online marketing systems; merchandise sales systems; sales training; location identification and acquisition; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Franchised Business (collectively, the "Confidential Information").

You shall not, during the term of the Franchise Agreement or after, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to your employees that must have access to it in order to operate the Franchised Business. Certain additional information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential will be deemed Confidential Information for purposes of the Franchise Agreement. We have expended considerable time, effort, and money to develop the System, and the Confidential Information is not well known outside of the System. The Confidential Information is of great value to us, and we are implementing this non-disclosure policy in an effort to protect our trade secrets and Confidential Information.

If you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and provide us with all necessary related information, without compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other related intellectual property rights. You and your principals will assign to us any rights you may have or acquire, including the right to modify the concept, process or improvement, and otherwise must waive and/or release all rights of restraint and moral rights. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing these rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process or improvement. In the event that these provisions are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement if this use or sublicense would otherwise directly or indirectly infringe your rights.

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

You (or at least one of your principals if you are a corporation or partnership) must personally supervise the day-to-day operations of the Franchised Business. You must devote your personal full-time attention and best efforts to the management and operation of the Franchised Business. You may, however, delegate the day-to-day management of your Franchised Business to a manager (the "Designated Manager"). We must approve your Designated Manager and your Designated Manager must successfully complete our Initial Training Program before assuming any managerial responsibility.

Your Franchised Business must be staffed by you (or one of your principals that has completed our Initial Training Program) and/or your Designated Manager at all times. In the event that you operate more than one Designated Territory, you must have one (1) or more properly trained Designated Manager(s) who has been approved by us at each location. You shall keep us informed at all times of the identity of any employee acting as a Designated Manager of a Franchised Business. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the Franchised Business and shall not engage in any other business activity without our prior written consent.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring or firing any personnel, including any managers. Please note that nothing in this Disclosure Document or any agreement you enter into with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

You must obtain and furnish to us signed confidentiality and non-competition agreements (attached as Exhibit D to the Franchise Agreement) from your manager and other personnel having access to our confidential information by virtue of their relationship with you. All principals of the franchisee entity will be required to personally guarantee all of the obligations of the "franchisee" under the Franchise Agreement. Every spouse of each principal will be required to sign a confidentiality and non-compete agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct your business in accordance with our Operations Manual and policies in order to protect our reputation and goodwill and to maintain our high standards of operation under our Proprietary Marks. You must use the premises solely for the operation of the Franchised Business and must keep the premises open and in normal operation for the hours and days we may specify in the Manual or as we may otherwise approve in writing.

You are prohibited from offering or selling any products or services not authorized in writing by us. The non-competition of this agreement (Item 17) does not permit you to have ownership or interest in a competing business, including any operation, formal or otherwise, of a business that offers any of the products or services provided by System Franchised Businesses. All services you provide to your customers must be provided in accordance with the standards established by us.

You are not limited in the customers you may serve from your Franchised Business. You are not permitted to distribute Approved Products on a non-retail or wholesale basis without our prior written consent.

You may offer for sale and sell only those services and products we designate, and you must sell all services and products we designate. We have the right to change the types of designated services and products, and there are no limits on our right to do so. If you wish to sell additional services or products, you must follow the approval process outlined in Item 8 of this Disclosure Document.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP UNDER THE FRANCHISE AGREEMENT

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	2.1	Term of ten (10) years, beginning on the date we sign your Franchise Agreement.
b.	Renewal or extension of the term	2.2	If you meet our conditions for renewal, you may renew your Franchise Agreement for one (1) additional ten (10) year term.
c.	Requirements for you to renew or extend	2.2	In order to renew, you must: (a) notify us of your intent to renew at least 90 days but no more than 180 days, prior to expiration of the current term; (b) demonstrate that you have the right to operate the Franchised Business for the duration of the renewal term; (c) complete all required renovations; (d) not be in breach of any agreements with us, our affiliates, or our major suppliers and vendors; (e) satisfy all monetary obligations to us, our affiliates, and our major suppliers and vendors; (f) sign our then-current form of franchise agreement, which may contain materially different terms than your Franchise Agreement; (g) satisfy our then-current training requirements for renewal franchisees; (h) sign a general release; and (i) pay us a renewal fee of $10,000.
d.	Termination by you	No Provision	Not Applicable (as permitted under state law).
e.	Termination by us without cause	No Provision	Not Applicable
f.	Termination by us with cause	15	We may terminate your Franchise Agreement with cause.

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined – curable defaults	15.3 15.4	We may terminate your Franchise Agreement following a 15-day cure period if you: (a) fail to pay sums owed to us, our affiliates, or our major vendors and suppliers; (b) under-report Royalty or any advertising payments by more than 2% or fail to submit timely reports or payments for any two (2) reporting periods in a 12-month period; (c) fail to immediately endorse and deliver to us any payments due to us from a third party that are erroneously remitted to you; (d) fail to maintain sufficient levels of inventory; (e) fail to open your Franchised Business within ten (10) months of the date we sign your Franchise Agreement; (f) fail to maintain the required days and hours of operation at your Franchised Business; (g) fail to personally or have a Designated Manager(s) supervise the day-to-day operation of the Franchised Business; (h) fail to maintain the strict quality controls reasonably required by your Franchise Agreement and/or the Operations Manual; (i) conduct yourself in a manner that reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System; (j) fail to secure your site by the deadline outlined in the Site Selection Addendum; and (k) fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your Franchised Business. We may terminate your agreement following a 30-day cure period if you fail to perform or comply with any one or more of the terms or conditions of your Franchise Agreement or any ancillary agreements between you and us or our affiliates.
h.	"Cause" defined – non-curable defaults	15.1 15.2	Your Franchise Agreement will automatically terminate if: (a) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business; (b) proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and the proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Franchised Business without your consent, and the appointment is not vacated within 60 days; or (c) you attempt to make an unauthorized sale or transfer of you or any interest in the Franchised Business. We may terminate your Franchise Agreement upon notice but without providing you with an opportunity to cure if: (a) you or your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of your Franchised Business; (b) you or your principals commit any fraud or misrepresentation in the operation of your Franchised Business; (c) you

	Provision	Section in Franchise Agreement	Summary
			or your principals make any misrepresentation or omission in connection with your franchise application; (d) you fail to successfully complete initial training; (e) we send you two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 of your Franchise Agreement in any 12-month period; (f) you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any agreement, and fail to cure the breach within any permitted period for cure; (g) you or your principals materially violate any provision of the Franchise Agreement relating to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information; (h) you violate any health, safety or sanitation law, ordinance or regulation, or operate the Franchised Business in a manner that presents a health or safety hazard to customers, or the general public; (i) you violate the in-term restrictive covenant in your Franchise Agreement; (j) a levy of writ of attachment or execution or any other lien is placed against you or your principals or any of their assets which is not released or bonded against within 30 days; (k) you or your principals become insolvent; (l) you abandon the Franchised Business; (m) you offer any unauthorized and unapproved products or services at or from the Franchised Business; (n) you order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from any currently unapproved supplier or any supplier which we have not approved; (o) you misuse or make unauthorized use of our Proprietary Software; (p) you fail to maintain insurance or otherwise adhere to our insurance requirements; (q) you fail, within 15 days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Franchised Business; (r) any government action is taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in our best interests, or would result in us having an unintended relationship or obligation; (s) you fail to comply with the anti-terrorist provision of your Franchise Agreement; (t) you take for your own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance or benefits; or (u) there are insufficient funds in your bank account to cover a check or EFT payment to us three (3) or more times within any 12-month period.
i.	Your obligations on termination/ non-renewal	16.1	Upon termination, non-renewal, or transfer, you must, at your own cost and expense: (a) cease immediately all operations under the Franchise Agreement; (b) pay us immediately all unpaid fees and pay us, our affiliates, and our major suppliers and vendors, all other monies owed; (c) discontinue immediately the use of the Proprietary Marks; (d) immediately return the Operations Manual, along with all other manuals and Confidential Information we loaned to you, and immediately and permanently cease use of the Confidential Information; (e) immediately cease using all telephone numbers and listings used in connection with the operation of the Franchised Business and direct the telephone

	Provision	Section in Franchise Agreement	Summary
			company to transfer all such numbers and listings to us or our designee or, if we direct, disconnect the numbers; (f) promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as we direct; (g) cease to hold yourself out as our franchisee; (h) take the necessary actions required to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark we licensed to you, and provide us with evidence of this within 30 days after the termination, expiration or transfer of your Franchise Agreement; (i) permit us to make final inspection of your financial records, books, and other accounting records within six (6) months of the effective date of termination, expiration, or transfer; (j) comply with the post-termination covenants set forth in Section 17 of your Franchise Agreement; (k) cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System; (l) transfer all rights and access to any proprietary software program used in connection with the Franchised Business; and (m) sign from time to time any necessary papers, documents, and assurances to effectuate any of the obligations listed in Section 16 of the Franchise Agreement. You appoint us as your attorney-in-fact to execute in your name and on your behalf all documents necessary to discontinue your use of the Proprietary Marks and the Confidential Information.
		16.2	
j.	Assignment of contract by us	14.5	We have the right to sell, transfer, assign and/or encumber all or any part of our assets and our interest in, and rights and obligations under, the Franchise Agreement in our sole discretion.
k.	"Transfer" by you - defined	14.3	A "transfer" occurs: (a) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (b) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (c) if you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company.
l.	Our approval of transfer by franchisee	14.1	You shall not sell, transfer, assign or encumber your interest in the Franchised Business without our prior written consent. Any sale, transfer, assignment or encumbrance made without our prior written consent will be voidable at our option and will subject your Franchise Agreement to termination.
m.	Conditions for our approval of transfer	14.3.2	We may condition our approval of a transfer on the following occurrences: (a) all of your monetary obligations to us, our affiliates, and our major suppliers and vendors are satisfied; (b) you have cured all existing defaults under the Franchise Agreement or any other

	Provision	Section in Franchise Agreement	Summary
			agreement with us, our affiliates, and our major suppliers and vendors; (c) you and your principals, and the transferee, have executed a general release; (d) you or the transferee have provided us with the executed purchase agreement relating to the proposed transfer, along with all supporting documents and schedules; (e) the transferee has demonstrated that he/she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; has adequate financial resources and capital to meet the performance obligations under the Franchise Agreement; and is not in the same business as us; (f) the transferee executes our then-current form of franchise agreement for the unexpired term of your Franchise Agreement; (g) you pay us a transfer fee equal to $15,000; (h) the transferee satisfactorily completes our Initial Training Program; (i) you, your principals, and your family members comply will the post-termination provisions of your Franchise Agreement; (j) the transferee obtains all permits and licenses required for the operation of the Franchised Business; (k) to the extent required, the lessors or other parties must have consented to the proposed transfer; (l) the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises; (m) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and the transferee's performance under its franchise agreement; (n) you must request that we provide the prospective transferee with our current form of franchise disclosure document; (o) our approval of the transfer shall not constitute a waiver of any claims we may have against you; (p) we may disclose to any prospective transferee such revenue reports and other financial information concerning you and your Franchised Business; (q) in any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise; and (r) you are responsible for the payment of all commissions or other monies due from the sale of the Franchised Business if, (i) you listed the Franchised Business with a broker, or (ii) the transferee is referred to us by a broker lead referral network or otherwise.
n.	Our right of first refusal to acquire your business	14.3.1	If you propose to transfer either the Franchise Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in your lease to any third party, you shall first offer to sell the interest to us on the same terms and conditions as offered by such third party. You shall obtain a letter of intent containing the terms of the offer that is signed by you and the third party, ("Letter of Intent"). If we decline the offer within a 30-day period, you will have a period of up to 60 days to complete the transfer described in the Letter of Intent subject to our transfer conditions. Any material change in the

	Provision	Section in Franchise Agreement	Summary
			terms of the offer shall be deemed a new proposal subject to our right of first refusal. So long as you have obtained our prior written consent, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, is not subject to our first right of refusal.
o.	Our option to purchase your business	16.3	Upon termination or expiration of your Franchise Agreement, we have the option, but not the obligation, to purchase any personal property used in connection with operation of your Franchised Business by providing you written notice within 60 days after such termination or expiration and paying you the book value for such personal property within 60 days of the notice. We may exclude from the personal property purchased any cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business's operation or that we have not approved as meeting our standards for the Franchised Business.
p.	Your death or disability	14.2	In the event of your or your Designated Manager's death, disability, or incapacitation, your or your Designated Manager's legal representative must transfer your interest in the Franchise Agreement, or the Designated Manager's ownership interest in you, if any, to a third party (which may be your or the Designated Manager's heirs, beneficiaries, or devisees) that we must approve, in our sole discretion. 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 Section 14 of the Franchise Agreement. If a certified Designated Manager is not managing the Franchised Business, your or the Designated Manager's legal representative must appoint a manager no later than 15 days from the date of death or disability. The manager must complete our standard Initial Training Program at your expense. A new Designated Manager acceptable to us also must be appointed within 30 days. If we determine that the Franchised Business is not being managed properly any time after your or the Designated Manager's death or disability, we may, but have no obligation to, assume the Franchised Business's management (or appoint a third party to assume its management). We may charge you (in addition to the Royalty, Brand Fund Contributions, and other amounts due under the Franchise Agreement) a reasonable amount of compensation, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the Franchised Business's management.
q.	Non-competition covenants during the term of the franchise	17.1	You may not: (a) own, maintain, operate engage in, act as a consultant for, perform services for, or have any interest in any Competing Business (as that term is defined in the Franchise Agreement); or (b) divert or attempt to divert any business or customer or prospect of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act

	Provision	Section in Franchise Agreement	Summary
			injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.
r.	Non-competition covenants after the franchise is terminated or expires	17.2.1 17.2.2	For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, you may not enter into any business competing in whole or in part with us in granting franchises or licenses to operate a Competing Business at the time your Franchise Agreement is terminated or otherwise expires and is not renewed. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, regardless of the cause, you may not: (a) own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal, (1) within your Territory, or (2) within a radius of 15 miles of the perimeter of (i) your Territory, or (ii) any other Territory licensed by us as of the date of expiration or termination of your Franchise Agreement; or (b) interfere with our business relationships or with anyone or any entity with which we have a business relationship.
s.	Modification of the Franchise Agreement	22.1	The Franchise Agreement may not be modified except by a written document signed by both parties.
t.	Integration/ merger clause	22.1	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	18.2-18.3	You must bring all disputes to us before bringing a claim before a third party. After exhausting our internal dispute resolution procedure, except as otherwise provided, all claims or disputes between you and us must be submitted to binding arbitration with the American Arbitration Association ("AAA") office closest to our then-current principal business address (currently, Huntersville, North Carolina) in accordance with the AAA's Commercial Arbitration Rules then in effect (subject to state law).
v.	Choice of forum	18.4	All claims not subject to arbitration must be brought before a court of general jurisdiction in Mecklenburg County, North Carolina, or the United States District Court for the Western District of North Carolina. You must consent to the personal jurisdiction and venue of any court of general jurisdiction in Huntersville, North Carolina, and the United States District Court for the Western District of North Carolina (subject to state law).

	Provision	Section in Franchise Agreement	Summary
w.	Choice of law	18.1	The Franchise Agreement is governed by the laws of the State of North Carolina (subject to state law).

THE FRANCHISE RELATIONSHIP UNDER THE DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Development Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in Development Agreement	Summary
a.	Length of the franchise term	Not Applicable	Not Applicable.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for you to renew or extend	Not Applicable	Not Applicable
d.	Termination by you	Not Applicable	Not Applicable (as permitted under state law).
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	Section 6.2	We may terminate your Development Agreement with cause.
g.	"Cause" defined – curable defaults	Section 6.2	You will be provided notice and 30 days to cure any default caused by your failure to meet your development obligations under the Development Schedule for any single Development Period.
h.	"Cause" defined – non-curable defaults	Section 6.2	Your Development Agreement can be terminated by us, without an opportunity to cure, if: (i) you cease to actively engage in development activities in the Development Area or otherwise abandon your development business for three (3) consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Franchised Businesses within the Development Area; (ii) you become insolvent or are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of

	Provision	Section in Development Agreement	Summary
			creditors or a receiver is appointed by you; and (iii) any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i.	Your obligations on termination/ non-renewal	Not Applicable	Not Applicable
j.	Assignment of contract by us	Section 8	We have the right to assign our rights under the Development Agreement.
k.	"Transfer" by you - definition	Section 8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Our approval of transfer by franchisee	Section 8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for our approval of transfer	Not Applicable	Not Applicable
n.	Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o.	Our option to purchase your business	Not Applicable	Not Applicable
p.	Your death or disability	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the franchise	Nothing Additional	Nothing additional. Please see non-competition covenants set forth in the Initial Franchise Agreement you will sign at the same time as your Development Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	In the event the Development Agreement is terminated before its natural expiration for any reason, then the geographic scope of the post-term non-compete obligation set forth in the initial Franchise Agreement signed at the same time as your Development Agreement will be expanded to include the Development Area and the area comprised of the 5-mile radius around that Development Area.

	Provision	Section in Development Agreement	Summary
s.	Modification of the Franchise Agreement	Section 26	Your Development Agreement may not be modified, except by a writing signed by both parties.
t.	Integration/ merger clause	Section 26	Only the terms of the Development Agreement (and ancillary agreements) and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and this Agreement may not be enforceable. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 13 Section 14	You must first submit all disputes and controversies arising under the Development Agreement to us and make every effort to resolve the dispute internally. After exhausting our internal dispute resolution procedure, except as otherwise provided, all claims or disputes between you and us must be submitted to binding arbitration with the American Arbitration Association ("AAA") office closest to our then-current principal business address (currently, Huntersville, North Carolina) in accordance with the AAA's Commercial Arbitration Rules then in effect (subject to state law).
v.	Choice of forum	Section 15	All claims not subject to arbitration must be brought before a court of general jurisdiction in Mecklenburg County, North Carolina, or the United States District Court for the Western District of North Carolina. You must consent to the personal jurisdiction and venue of any court of general jurisdiction in Huntersville, North Carolina, and the United States District Court for the Western District of North Carolina (subject to state law).
w.	Choice of law	Section 11	The Franchise Agreement is governed by the laws of the State of North Carolina (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise, but we reserve the right to do so in the future.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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.

BACKGROUND

There were 9 Studios operating in the United States as of the Issuance Date of this Disclosure Document. Of those, 5 Studios were operating as of December 31, 2023. Our affiliates, Sweat and Salty and SmartYou, operated 2 of them (the "Affiliate-Owned Studios") and our franchisees operated the other 3 (the "2023 Franchised Studios"). We had 4 franchisees each open 1 Studio in 2024, before the Issuance Date of this Disclosure Document (the "2024 Franchised Studios" and, together with the 2023 Franchised Studios, the "Franchised Studios"). We include the 7 Franchised Studios only in the financial performance representations in Part III below. Except as we explain in each Part below, we did not exclude any Affiliate-Owned Studios or any Franchised Studios from the financial performance representations contained in this Item 19.

This Item 19 presents information about the financial performance of the Affiliate-Owned Studios and Franchised Studios. This information was reported to us by the Affiliate-Owned Studios and the Franchised Studios. We have not independently audited or otherwise verified this information. Written substantiation for the financial performance representations will be made available upon reasonable request.

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

PART I: AFFILIATE-OWNED STUDIOS: GROSS SALES, COGS, AND OTHER FIXED OPERATING COSTS AND EXPENSES, AND ESTIMATED FEES DURING FISCAL YEAR 2023

Table 1 below discloses the actual historical Gross Sales generated, as well as COGS, operational expenses, and imputed fees for the 2 Affiliate-Owned Studios from January 1, 2023 through December 31, 2023 ("Fiscal Year 2023"). The 2 Affiliate-Owned Studios opened on October 1, 2021 and March 27, 2022, respectively.

TABLE 1

FISCAL YEAR 2023

Category	Affiliate-Owned Studio in Huntersville, NC	Affiliate-Owned Studio in South End, NC
Actual Gross Sales[1]	**$519,646.49**	**$715,150.13**
COGS[2]	**$26,177.02**	**$8,761.40**
Gross Profit[3]	**$493,469.47**	**$706,388.73**
Total Local Marketing[4]	$28,200.00	$33,820.64
Operations Expenses[5]	$63,873.49	$106,340.25
Payroll[6]	$103,456.66	$187,972.29

Category	Affiliate-Owned Studio in Huntersville, NC	Affiliate-Owned Studio in South End, NC
Rent[7]	$68,116.60	$93,608.96
Imputed Royalty Fees[8]	$36,375.25	$50,060.51
Imputed Brand Fund Contribution[9]	$5,196.46	$7,151.50
Net Profit[10]	**$ 188,251.00**	**$ 227,434.58**
Margin[11]	**36.23%**	**31.80%**

Table 1 above excludes results from the 7 Franchised Studios because none of the 7 Franchised Studios were open and operating for the full Fiscal Year 2023.

PART II: 2023 FRANCHISED STUDIO: GROSS SALES

Table 2 below details the actual historical Gross Sales generated during Fiscal Year 2023 by the 1 Franchised Studio that opened on January 21, 2023, and that operated for nearly the entire Fiscal Year 2023. We did not include any of the other Franchised Studios in this Table 2 because none of those Franchised Studios operated for the entire, or nearly the entire, Fiscal Year 2023. The Gross Sales amount listed below is the actual amount generated (with no adjustments or extrapolation to account for the period January 1, 2023 to January 20, 2023).

TABLE 2

FISCAL YEAR 2023

2023 Franchised Studio	Actual Gross Sales
1	$785,540.66

PART III: GROSS SALES FOR AFFILIATE-OWNED STUDIO AND FRANCHISED STUDIOS DURING THE PRE-LAUNCH PERIOD AND, AS APPLICABLE, THE FIRST 31 DAYS OF OPERATION AFTER PRE-LAUNCH PERIOD

Table 3 below details actual historical Gross Sales generated during the Pre-Launch Period and, as applicable, the first 31 days of operation, for the Studios listed below. For each Studio listed below, the "Pre-Launch Period" means the period beginning on the date the Studio begins selling memberships for the Studio's services (the "Start Date") and ending on the date that is the day before the Studio opens to the public for business (the "Opening Date"). As disclosed below in Table 3, the Pre-Launch Period has lasted between 12 to 16 weeks before the Opening Date. All 7 Franchised Studios and 1 Affiliate-Owned Studio engaged in pre-opening membership sales activities during the Pre-Launch Period. Table 3 does not include 1 Affiliate-Owned Studio, located in Huntersville, North Carolina, because that Studio converted from a Sweat and Salty location in 2021 and did not have a Pre-Launch Period.

TABLE 3

PRE-LAUNCH + 31 DAYS OF OPERATION

Studio	Start Date	Opening Date	Prelaunch Gross Sales	First 31 Days of Gross Sales	Prelaunch + First 31 Days of Gross Sales
1	8/17/2022	1/21/23	$ 49,203.50	$ 71,961.30	$ 121,164.80
2	12/17/2023	4/15/24	$ 45,900.00	N/A*	---
3	8/13/2023	3/26/24	$ 28,387.00	N/A*	---
4	8/4/2023	1/23/24	$ 31,804.00	$ 43,243.42	$ 75,047.42
5	2/10/2023	7/17/23	$ 26,310.00	$ 40,690.00	$ 67,000.00
6 (Affiliate -Owned Studio in South End, NC)	1/17/2022	3/27/22	$ 21,229.00	$ 32,788.13	$ 54,017.13
7	8/3/2023	11/17/23	$ 14,019.00	$ 30,108.30	$ 44,127.30
8	12/17/2023	3/30/24	$ 10,780.00	N/A*	---

*****As of the Issuance Date of this Disclosure Document, these 2024 Franchised Studios had not been in operation for a full 31 days.

Explanatory Notes for all Financial Performance Representations:

1. **Gross Sales.** "Gross Sales," as defined in Item 6 of this Disclosure Document, means all revenue from the sale of all products and performance of services from the Studio, whether in the form of cash, credit, barter, or rebates, and regardless of collection in the case of credit, and income of every kind and nature related to the Studio, including any consideration that you receive from third-party vendors/suppliers. "Gross Sales" does not include monies that are collected and submitted by you for transmittal to appropriate taxing authorities (such as sales tax), discounts, allowances and returns (including cash refunds).

2. **COGS.** "COGS" or Cost of Goods Sold means the cost of retail items, water bottles, and other merchandise sold from a Studio. For the Affiliate-Owned Studio in Huntersville, NC, COGS includes any sales-based commissions the Studio pays its sales personnel. For the Affiliate-Owned Studio in South End, NC, COGS does not include any sales-based commissions the Studio pays its sales personnel.

3. **Gross Profit.** "Gross Profit" means Gross Sales, minus COGS.

4. **Total Local Marketing.** "Total Local Marketing" means the total amount Affiliate-Owned Studios expended during Fiscal Year 2023 on local marketing efforts, including local marketing and promotions activities and advertising agency management fees. Under our current form of Franchise Agreement, you are required to expend a minimum of $1,500 per month ($18,000 per year) on local marketing, however, we recommend that you spend more.

5. **Operations Expenses.** "Operations Expenses" means amounts other than Total Local Marketing, Payroll, Rent, Imputed Royalty Fee, and Imputed Brand Fund Contribution that Affiliate-Owned Studios expended during Fiscal Year 2023, including, utilities, repairs, office supplies, equipment, cleaning, licenses, dues and subscriptions, bookkeeping, and insurance. Operation Expenses also includes the (i) estimated POS Fee of $268/month, (ii) the Annual Membership Contract Fee of $250 per year, (iii) the Technology Fee of $450 per month, and (iv) the cost of towels (the Affiliate-Owned Studio in South End, NC utilized a towel service at a cost of approximately $3,750 per month. The Affiliate-Owned Studio in Huntersville, NC utilized in-house washer-dryers).

6. **Payroll.** "Payroll" means the total cost and compensation paid in connection with the engagement of staff to operate Affiliate-Owned Studios. The term "Payroll" does not include salary or other compensation paid to a Designated Manager, general manager, or owner, because our Affiliate-Owned Studios are owner operated and managed. If you hire a Designated Manager or other approved Studio manager to operate your Studio, your Payroll expense will be higher.

7. **Rent.** "Rent" means the total amount that Affiliate-Owned Studio incurred in connection with base rent during Fiscal Year 2023.

8. **Imputed Royalty Fee.** The term "Imputed Royalty Fees" means the total Royalty Fee that Affiliate-Owned Studios would have had to pay us if Affiliate-Owned Studios were owned by a System franchisee and governed by our current form of Franchise Agreement. We calculated the Imputed Royalty Fees by multiplying the Gross Sales generated by the Affiliate-Owned Studio by .07 to account for the Royalty Fee of 7% set forth and required under our current form of Franchise Agreement.

9. **Imputed Brand Fund Contribution.** The term "Imputed Brand Fund Contribution" means the total Brand Fund Contribution that Affiliate-Owned Studios would have to contribute if Affiliate-Owned Studios were owned by a System franchisee and governed by our current form of Franchise Agreement. We calculated the Imputed Brand Fund Contribution by multiplying the Gross Sales generated by Affiliate-Owned Studios by .01 to account for the Brand Fund Contribution requirement of the greater of (a) 1% of Gross Sales, or (b) $250 per month required under our current form of Franchise Agreement.

10. **Net Profit**. Net Profit means Gross Profits, less Total Local Marketing, Operations Expenses, Payroll, Rent, Imputed Royalty Fees, Imputed Brand Fund Contribution, interest, income taxes, depreciation, and amortization.

11. **Margin.** Margin is calculated by taking the Gross Sales, less COGS, Operations Expenses, Payroll, Rent, Estimated Royalty Fees, Total Local Advertising, and Estimated Brand Fund Contribution, dividing that amount by the Gross Sales and multiplying the total by 100.

12. The Affiliate-Owned Studios and Franchised Studios generally reflect the mix of characteristics that we expect for new franchised Studios. For example, these Studios occupy between approximately 1,330 to 1,710 square feet; and fit approximately 6 to 8 saunas and showers.

The financial performance representation figures do not reflect all the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net operating income or net profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Studio. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information.

Other than the financial performance representation contained in this Item, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Cynthia May Wagner at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 or by phone at (980) 223-0975, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of December 31 in each year. The "Company-Owned" outlets referenced in tables 1, 4 and 5 below are operated by our affiliate.

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	1	+1
	2023	1	3	+2
Company-Owned	2021	1	1	0
	2022	1	2	+1
	2023	2	2	0
Total Outlets	2021	1	1	0
	2022	1	3	+2
	2023	3	5	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
[All States] Total	**2021**	**0**
	2022	**0**
	2023	**0**

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of the Year
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Georgia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**0**	**3**	**0**	**0**	**0**	**0**	**3**

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
North Carolina	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
Total	**2021**	**1**	**0**	**0**	**0**	**0**	**1**
	2022	**1**	**1**	**0**	**0**	**0**	**2**
	2023	**2**	**0**	**0**	**0**	**0**	**2**

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Arizona	2	2	0
Arkansas	1	1	0
Colorado	2	2	0
Connecticut	2	2	0
Florida	6	6	0
Georgia	2	4	0
Illinois	1	1	0
Kansas	1	1	0
Massachusetts	1	1	0
Michigan	1	1	0
Minnesota	3	3	0
Missouri	1	1	0
North Carolina	6	5	0
Nebraska	1	1	0
New Jersey	1	1	0
New York	2	2	0
Pennsylvania	2	2	0
South Carolina	3	3	0
Tennessee	3	3	0
Texas	13	13	0
Utah	3	3	0
Virginia	3	3	0
Washington D.C.	1	1	0
Wisconsin	1	1	0
Total	63	64	**0**

A list of our franchisees as of December 31, 2023 is attached as Exhibit G to this Disclosure Document. Additionally, a list of franchisees who have left the System or who have not communicated with us within the 10-week period immediately preceding the effective date of this Franchise Disclosure Document will be attached as Exhibit H to this Disclosure Document as and when these situations occur. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

There is presently no trademark specific franchisee organization associated with the System. During the last three fiscal years, no franchisees have signed confidentiality clauses.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit C is a copy of our audited balance sheet as of December 31, 2023 and December 31, 2022, and related statements of income, changes in member's equity and cash flows for the two years then ended December 31, 2023, as well as our audited opening day balance sheet as of December 31, 2021. We have not been in business for three or more years and cannot therefore provide all financial statements that would have otherwise been required in this Item. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Disclosure Document:

Exhibit D - Franchise Agreement
- Exhibit A -- Personal Guaranty
- Exhibit B -- Site Selection Addendum
- Exhibit C -- Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers, and Domain Names
- Exhibit D -- Confidentiality and Restrictive Covenant Agreement
- Exhibit E -- Electronic Funds Withdrawal Authorization
- Exhibit G -- Spousal Confidentiality and Non-Compete Agreement

Exhibit E -- Development Agreement
Exhibit F -- Renewal/Assignment of Franchise Documents Release
Exhibit I -- State Specific Addenda
Exhibit J -- Compliance Certification

ITEM 23
RECEIPTS

Exhibit L of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign both copies of the Receipts. You should retain one signed copy for your records and return the other signed copy to: GET LIT CONCEPTS, LLC, 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078.

EXHIBIT A
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any of these states.

CALIFORNIA

Commissioner of Department of Financial Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

CONNECTICUT

(state administrator)
State of Connecticut
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

(agent for service of process)
Banking Commissioner

HAWAII

(for service of process)

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

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

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

WASHINGTON

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(362) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 41200
Olympia, Washington 98504-1200
(362) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT B
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

Manual Section	Number of Pages
Getting started	2
Site Selection	3
Technology	1
Staffing	4
Pre-Launch Operations	4
Opening Studio Promotional Efforts	1
Opening studio Sales and Operations	4
Total Number of Pages	19

EXHIBIT C
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS ON

GET LIT CONCEPTS, LLC

AS OF DECEMBER 31, 2023 AND 2022

Huggins & Company, CPA PA
Certified Public Accountants

P.O. Box 680668
Charlotte, N.C. 28216
(704) 394-2364
(704) 399-6939 (Fax)

257 N. Highway 16
Denver, N.C. 28037

INDEPENDENT AUDITOR'S REPORT

March 29, 2024

To The Members Of
Get Lit Concepts, LLC
13620 Reese Blvd
Huntersville, NC 28078

Opinion

We have audited the accompanying financial statements of Get Lit Concepts, LLC (a North Carolina limited liability company), which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of income, changes in member's equity, and cash flows for the years then ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Get Lit Concepts, LLC, as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Huggins + Company, CPA PA

Huggins & Company, CPA PA
Charlotte, North Carolina

GET LIT CONCEPTS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	$ 1,076,061	$ 563,867
Accounts Receivable, Net Of Allowance For Doubtful Accounts	551,462	900
Inventory	599,654	185,739
Prepaid Expenses	8,299	3,646
Total Current Assets	2,235,476	754,152
PROPERTY, PLANT AND EQUIPMENT		
Property, Plant And Equipment (Net Of Accumulated Depreciation Of $784 and $76)	3,815	1,453
OTHER ASSETS		
Deferred Commission And Broker Fees	534,238	4,842
Total Other Assets	534,238	4,842
TOTAL ASSETS	$ 2,773,529	$ 760,447

LIABILITIES AND MEMBERS' EQUITY

	2023	2022
CURRENT LIABILITIES		
Accounts Payable	$ 39,087	$ 102,021
Credit Card Payable	12,744	1,243
Deferred Revenue-Current	627,990	6,103
Sales Tax Payable	22,678	0
Total Current Liabilities	702,499	109,367
LONG-TERM LIABILITIES		
Deferred Revenue-Long Term	682,474	48,813
Total Long-Term Liabilities	682,474	48,813
TOTAL LIABILITIES	1,384,973	158,180
MEMBERS' EQUITY		
Members' Equity	1,388,556	602,267
Total Members' Equity	1,388,556	602,267
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 2,773,529	$ 760,447

See Accompanying Notes And Independent Auditor's Report

GET LIT CONCEPETS, LLC
STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
INCOME		
Franchise Sales	$ 6,033,893	$899,486
Management Sales	16,000	0
Product Sales	926,828	40,754
Total Income	6,976,721	940,240
COST OF GOODS SOLD	3,400,205	263,836
Gross Profit	3,576,516	676,404
OPERATING EXPENSES		
Franchise Development	484,767	120,764
Marketing	111,156	32,852
Operations	30,972	7,747
General and Administrative	695,675	154,175
Payroll Expense	1,062,329	206,728
Total Operating Expenses	2,384,899	522,266
OPERATING INCOME	1,191,617	154,138
OTHER INCOME (EXPENSE)		
Depreciation	(708)	(76)
Interest	(24,625)	0
Other Income	20,757	564
Total Other Income (Expense)	(4,576)	488
Net Income	$ 1,187,041	$ 154,626

See Accompanying Notes and Independent Auditor's Report

GET LIT CONCEPTS, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
MEMBERS' EQUITY AT JANUARY 1	$ 602,267	$ 55,793
CAPITAL CONTRIBUTION	0	391,848
NET INCOME FOR THE YEAR	1,187,041	154,626
DISTRIBUTIONS	(400,752)	0
MEMBERS' EQUITY AT DECEMBER 31	$ 1,388,556	$ 602,267

See Accompanying Notes and Independent Auditor's Report

GET LIT CONCEPTS, LLC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,187,041	$ 154,626
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:		
Depreciation	708	76
(Increase) Decrease In Assets:		
Accounts Receivable	(550,562)	(900)
Inventory	(413,915)	(185,739)
Prepaid Expenses	(4,653)	45,841
Deferred Commissions And Broker Fees	(529,396)	(4,842)
Increase (Decrease) In Liabilities:		
Accounts Payable	(62,934)	102,021
Credit Card Payable	11,501	1,243
Sales Tax Payable	22,678	0
Deferred Revenue	1,255,548	54,915
Net Cash Provided By Operating Activities	916,016	167,241
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments For The Purchase Of Property And Equipment	(3,070)	(1,529)
Net Cash Used In Investing Activities	(3,070)	(1,529)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due From Member	0	(391,848)
Capital Contributions	0	391,848
Distributions	(400,752)	0
Net Cash Used In Financing Activities	(400,752)	0
NET INCREASE IN CASH	512,194	165,712
CASH, At Beginning Of The Year	563,867	398,155
CASH, At End Of The Year	$ 1,076,061	$ 563,867

See Accompanying Notes and Independent Auditor's Report

GET LIT CONCEPTS, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

The Company was incorporated under the laws of the State of North Carolina for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Beem light sauna operation, as a franchise.

INCOME TAXES

The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the members. As such, there is no recognition of federal or state income taxes for the Company.

Management has concluded that any tax provisions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the operating statement or accrued in the balance sheet. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for the period of three years from the date the returns are filed.

USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all instruments purchased with maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Generally, accounts receivable is recorded at the amount the Company expects to collect on balances outstanding at year-end. Differences between the amount due and the amount management expects to collect are reported in the results of the operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method, and market represents the lower of replacement cost or estimated net realizable value.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost except for instances of impairment losses. At the point an impairment loss is noted, the assets will be written down to market value and any resulting loss will be included in operations. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT (CONTINUED)

The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

Depreciation is computed on straight line over the estimated useful lives of the related assets. The costs or estimated fair market values by category of depreciable assets along with their respective estimated useful lives are as follows:

	2023	2022	Years
Office Equipment	$ 4,599	$ 1,529	7
	4,599	1,529	
Less: Accumulated Depreciation	784	76	
Property And Equipment – Net	$ 3,815	$ 1,453	

Depreciation expense for the year ended December 31, 2023 and 2022 was $708 and $76 respectively.

ADVERTISING

The Company expenses advertising production costs as they are incurred and advertising communication cost the first time the advertising takes place. Advertising expense for the Company was $111,156 and $32,852 for the period ended December 31, 2023 and 2022 respectively.

REVENUE RECOGNITION

Since its inception, the Company adopted Accounting Standard Codification 606 ("ASC 606"). ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which includes (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company's revenues primarily consist of (1) initial franchise fees charged to franchisees in exchange for the right to own and operate franchises within a certain territory, (2) equipment and product sales, (3) monthly royalties, marketing and managed member acquisition center income.

Also since its inception, Company adopted the practical expedient and made the policy election to recognize pre-opening services as a single performance obligation under ASU 2021-02. The practical expedient permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. In addition, a policy election can be made to recognize pre-opening services as a single-performance obligation. The Company then recognizes the deferred portion of franchise fee revenue on a straight-line basis over the life of the related franchise agreement. Lump sum payments are typically due upon execution of a franchise agreement or a renewal of the related franchise agreement. The Company's performance obligation with respect to

GET LIT CONCEPTS LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

the deferred portion of franchise fee revenue consists of a license to utilize the Company's brand for a specified period, which is satisfied equally over the life of each franchise agreement.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Company had $704,851 and $313,865 on deposit at December 31, 2023 and 2022, in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) limit. The FDIC currently insures up to $ 250,000 for each depositor in a given bank.

NOTE 3 - INVENTORIES

Inventories at December 31, consist of the following:

	2023	2022
Sauna Equipment and Accessories	$ 599,654	$ 185,739

NOTE 4 - FRANCHISE INCOME

The Company franchises locations to operate under its trade name, Beem Light Sauna. A franchise includes, but is not necessarily limited to territorial rights, training, and materials. Initial franchise fees are recognized partially upon providing pre-opening services, with the deferred portion being recognized on a straight-line basis over the life of the related franchise agreement. Franchise royalty revenue is based on franchisee sales and are recognized when earned.

Information about the number of franchises is as follows:

	2023	2022
Franchises:		
Sold	218	12
In operation as of December 31	5	2

NOTE 5 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2023, the Company paid rent to related parties totaling $123,752. Also, during the year ended December 31, 2023, the Company reimbursed a related party $633,236 for various operating expenses. The Company owed a related party $13,286 as of December 31, 2023.

During the year ended December 31, 2022, the Company paid rent to related parties totaling $37,649. Also, during the year ended December 31, 2022, the Company reimbursed a related party $185,496 for various operating expenses. The Company owed a related party $95,707 as of December 31, 2022.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 29, 2024, the date on which the 2023 financial statements were available to be issued.

FINANCIAL STATEMENTS ON

GET LIT CONCEPTS, LLC

AS OF DECEMBER 31, 2021

Huggins & Company, CPA PA
Certified Public Accountants

P.O. Box 680668
6148-D Brookshire Blvd.
Charlotte, N.C. 28216
(704) 394-2364
(704) 399-6939 (Fax)

257 N. Highway 16
Denver, N.C. 28037
(704) 489-0023
(704) 489-6223 (Fax)

INDEPENDENT AUDITOR'S REPORT

August 29, 2022

To The Members Of
Get Lit Concepts, LLC
13620 Reese Blvd, Suite 300
Huntersville, NC 28078

Opinion

We have audited the balance sheet of Get Lit Concepts, LLC as of December 31, 2021, and the related notes (balance sheet).

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of Get Lit Concepts, LLC as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Get Lit Concepts, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Get Lit Concept'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 Get Lit Concept'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.

Huggins + Company, CPA PA

Huggins & Company, CPA PA
Charlotte, North Carolina

GET LIT CONCEPTS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2021

ASSETS

CURRENT ASSETS			
Cash and Cash Equivalents	$ 398,155		
Prepaid Inventory	49,487		
Total Current Assets		447,642	
TOTAL ASSETS			$ 447,642

LIABILITIES AND MEMBERS' EQUITY

LONG-TERM LIAIBILITES			
Due to Members	$ 391,849		
Total Long-Term Liability		391,849	
MEMBERS' EQUITY			
Members' Equity	$ 55,793		
Total Members' Equity		55,793	
TOTAL LIABILITIES AND MEMBERS' EQUITY			$ 447,642

See Accompanying Notes and Independent Audit Report

GET LIT CONCEPTS, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS
The Company was incorporated under the laws of the State of North Carolina for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Get Lit Concepts operation, as a franchise.

INCOME TAXES
The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the members. As such, there is no recognition of federal or state income taxes for the Company.

Management has concluded that any tax provisions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the operating statement or accrued in the balance sheet. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for the period of three years from the date the returns are filed.

USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS
The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS
For purposes of the statement of cash flows, the Company considers all instruments purchased with maturity of three months or less to be cash equivalents.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Company had $148,155 on deposit at December 31, 2021, in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) limit. The FDIC currently insures up to $ 250,000 for each depositor in a given bank.

NOTE 3 – RELATED PARTY TRANSACTIONS

At startup, the members loaned the Company $375,000 to function as a line of credit and be used to finance Company operations, payroll, and growth initiatives. Interest accrues on these loans at a rate of 7.5%. The Company does not intend to repay these loans within one year. As of December 31, 2021 and the Company owed a related party $391,849.

NOTE 4 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 29, 2022, the date which the 2021 financial statements were available to be issued.

EXHIBIT D
TO THE GET LET CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

GET LIT CONCEPTS, LLC

FRANCHISE AGREEMENT

GET LET CONCEPTS, LLC
FRANCHISE AGREEMENT

DATA SHEET

Franchisee:	____
Guarantors:	____
Address:	____
Effective Date:	____
Designated Territory:	____
Approved Location:	____
Telephone Number:	____
Email Address:	____
Initial Franchise Fee:	____

The terms of this Data Sheet are incorporated into the attached Franchise Agreement.

TABLE OF CONTENTS

GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement" or "Franchise Agreement") is hereby made and entered into on ___________________ (the "Effective Date"), by and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company, with its principal business address at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 ("Franchisor") and the franchisee identified in the attached Data Sheet ("Franchisee").

BACKGROUND

A. Franchisor and/or its principal(s) or affiliate(s) have developed a system for the establishment and operation of franchised businesses focused on providing infrared sauna services and other light therapy technologies that may assist with weight loss, improve energy levels, detoxify cells, improve skin tone, boost immunity, and promote relaxation for its members from an approved location (each, a "Franchised Business").

B. Franchisor is engaged in the business of granting franchises to operate Franchised Businesses;

C. Franchisee desires to enter into an agreement with Franchisor to obtain the rights to operate a Franchised Business using the system, owned and developed by Franchisor, which includes recognized color schemes, distinctive specifications for furniture, fixtures, equipment, and display designs; uniform specifications of products and services; sales techniques; merchandising, marketing, advertising, and management systems; and procedures for operation and management of a Franchised Business in the manner set forth in this Agreement and in the operations manual provided by Franchisor and modified from time to time (the "System");

D. Franchisor and its franchisees use various trade names, trademarks and service marks including, without limitation, the registered service mark "beem® Light Sauna," in connection with the System (the "Proprietary Marks"). The rights to all such Proprietary Marks as are now, or shall hereafter be, designated as part of the System shall be owned exclusively by Franchisor and be used for the benefit of Franchisor and Franchisor's franchisees to identify to the public the source of the products and services marketed thereunder;

E. Franchisee has applied to Franchisor for a franchise to operate a Franchised Business and such application has been approved in reliance upon all of the representations made therein; and

F. Franchisee hereby acknowledges that adherence to the terms of this Agreement and the standards and specifications of Franchisor are essential to the operation of its Franchised Business and to the operations of the System.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Franchisor and Franchisee hereby agree as follows:

1. GRANT OF FRANCHISE

1.1 **Grant and Acceptance**. Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Agreement, and Franchisee hereby accepts, a franchise for the right to establish and operate one (1) Franchised Business, under the System and Proprietary Marks identified herein, and the right to use the System and Proprietary Marks in the operation of the Franchised Business. Franchisor has the right to supplement, improve or otherwise modify the System from time to time in Franchisor's discretion, and Franchisee agrees to comply with all changes which may include, without limitation, the offer and sale of new or different products or services as Franchisor may specify.

1.1.1 **Reservation of Rights**. Except as otherwise provided for in this Agreement, the foregoing grant to Franchisee does not include any right to: (i) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (ii) sell products or services at wholesale prices from the Franchised Business; or (iii) distribute, market, or implement Franchisor's products or services in any channel of distribution not specifically identified in this Agreement. Franchisee expressly understands and agrees that Franchisor and Franchisor's affiliates shall have the right, in Franchisor's sole discretion, to: (i) own and operate Franchised Businesses at any location(s) outside of Franchisee's Designated Territory (as defined in Section 1.3) under the same or different marks, or to license others the right to own and operate Franchised Businesses at any location(s) outside Franchisee's Designated Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (iii) own and operate Franchised Businesses or other businesses, or market similar products and services, at any location(s) inside Franchisee's Designated Territory under different marks, or to license others the right to own and operate Franchised Businesses or other businesses, or market products and services at any location(s) inside Franchisee's Designated Territory under different marks; (iv) operate and license others the right to own and operate Franchised Businesses under the Proprietary Marks and System in non-traditional sites including, but not limited to, hotels, med-spas, salons, massage parlors, doctors' offices or other self-care facilities; and (v) engage and license others to engage in any other activities not expressly prohibited in this Agreement.

1.2 **Approved Location**. Franchisee may operate the Franchised Business only at the location identified in the Data Sheet of this Agreement (the "Approved Location"). If Franchisor has not approved a location for Franchisee to operate the Franchised Business as of the Effective Date of this Agreement, the parties shall enter into the Site Selection Addendum attached as Exhibit B to this Agreement, the terms of which shall govern the parties' site selection obligations.

1.3 **Designated Territory**. Except as otherwise provided in this Agreement, for so long as Franchisee complies with the terms and conditions hereof, Franchisor shall not establish and operate, nor license to any party other than Franchisee the right to establish and operate, any Franchised Business under the System and the Proprietary Marks during the term hereof within the protected area identified in the Data Sheet, the terms of which are incorporated herein by reference ("Designated Territory"). Franchisor shall designate the Designated Territory prior to execution of the Franchise Agreement. Franchisor and its affiliates retain all other rights, including without limitation, the right to distribute products and services as described in Sections 1.1.1 and 1.4 hereof within Franchisee's Designated Territory, as applicable.

1.4. **Exclusions and Reservations**. Franchisee expressly acknowledges and agrees that certain of Franchisor's or its affiliate's products or services, whether now existing or developed in the future, may be distributed in Franchisee's Designated Territory by Franchisor, Franchisor's affiliates, or Franchisor's franchisees, licensees or designees, in such manner and through such alternate channels of distribution as Franchisor, in its sole discretion, shall determine. Such alternate channels of distribution shall include, but are not limited to, sales of any products under the Proprietary Marks at or through the internet, hotels, med-spas, salons, massage parlors, doctors' offices or other self-care facilities. Franchisee understands that this Agreement grants Franchisee no rights: (i) to distribute such products as described in this Section 1.4; or (ii) to share in any of the proceeds received by any such party therefrom.

2. TERM AND RENEWAL

2.1 **Term**. The initial term of this Agreement is for a period of ten (10) years which will begin on the date that Franchisor signs this Agreement.

2.2 **Renewal**. Franchisee has the right to renew this Agreement for one (1) additional ten (10) year term, provided Franchisee has met the following conditions:

2.2.1 Franchisee has notified Franchisor of Franchisee's intention to renew this Agreement in writing at least ninety (90) days, but no more than one hundred eighty (180) days, prior to expiration of the current term;

2.2.2 Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the Franchised Business from the Approved Location for the duration of the renewal term; or, if Franchisee is unable to operate the Franchised Business from the Approved Location, Franchisee has secured an approved substitute location;

2.2.3 Franchisee has completed, to Franchisor's satisfaction, prior to the end of the then-current term, all maintenance and updating of the Franchised Business Approved Location required to bring the Franchised Business and all equipment into full compliance with Franchisor's then-current System standards and specifications;

2.2.4 Franchisee is not in breach of any provision of this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, and Franchisee has substantially complied with all such agreements during their respective terms;

2.2.5 Franchisee has satisfied all monetary obligations Franchisee owes Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors;

2.2.6 Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, increased royalty fees and advertising obligations;

2.2.7 Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees, if any, at Franchisee's expense, as of the date of such renewal;

2.2.8 Franchisee signs a general release, in the form Franchisor prescribes, provided that said release shall not be inconsistent with any applicable state statute regulating franchises; and

2.2.9 Franchisee pays Franchisor a renewal fee in the amount of ten thousand dollars ($10,000).

3. FEES

3.1 **Initial Franchise Fee**. In consideration of the franchise granted to Franchisee by Franchisor, Franchisee must pay Franchisor an initial franchise fee equal to fifty-nine thousand nine hundred dollars ($59,900) (the "Initial Franchise Fee"), in full, when Franchisee signs this Agreement. The initial franchise fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise others.

3.1.1 *Discount Programs.* Franchisor currently offers the following discount programs (collectively, the "Discount Programs"). The following Discount Programs are subject to change (or to be discontinued) at any time and in Franchisor's sole judgment.

3.1.1.1 *Qualified U.S. Military Veterans and First Responders.* For qualified individuals who were (i) honorably discharged from any branch of the United States Military, or (ii) are currently employed as a first responder (firefighter, law enforcement officer, paramedic, emergency medical technician, or other individual who, in the course of their professional duties, responds to fire, medical, hazardous materials, or other similar emergencies, the Initial Franchise Fee is discounted by $5,000.00.

3.1.1.2 *HIRE Program Discount.* Under Franchisor's "Hire Program," Franchisor offers a discounted Initial Franchise Fee for a qualified employee of a current franchisee who: (i) has been recommended by a System franchisee; (ii) has been employed by a System franchisee for at least two (2) consecutive years; and (iii) otherwise qualifies to be our franchisee. The discount is based on years of service with one of our franchisees and is calculated as follows:

Discount on Initial Franchise Fee	**Years of Consecutive Employment with Franchisee**
50%	2
65%	3
80%	4
95%	5+

Discounts under the "Hire Program" are available for Franchisee's first Franchised Business only and calculated after any third-party broker fees are deducted, if any.

3.2 **Royalty Fee**. Upon the earlier of (a) the opening of the Franchised Business, or (b) 365 days after the Effective Date of this Agreement, on the fifth (5th) day of each month, or at the then-current EFT draft interval determined by Franchisor, Franchisee shall pay Franchisor a royalty equal to the greater of (i) seven percent seven (7%) of the Franchised Business's Gross Sales, or (ii) $1,750 (the "Royalty"). "Gross Sales" shall include all revenue from the sale of all products and performance of services from the Franchised Business, whether in the form of cash, credit, barter or rebates, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business, including any consideration that Franchisee receives from third-party vendors/suppliers. "Gross Sales" does not include monies that are collected and submitted by Franchisee for transmittal to appropriate taxing authorities (such as sales tax), discounts, allowances and returns (including cash refunds).

3.3 **Brand Fund Contribution.** As set forth more fully in Section 12.4 of this Agreement, upon the earlier of (a) the opening of the Franchised Business, or (b) 365 days after the Effective Date of this Agreement, on the fifth (5th) day of each month or at the then-current EFT draft interval determined by Franchisor, Franchisee shall pay to Franchisor a monthly contribution (the "Brand Fund Contribution") to the Brand Fund (as defined in Section 12.4) amounting to the greater of (i) one percent (1%) of Franchisee's Gross Sales generated by the Franchised Business in the immediately preceding calendar month, or (ii) $250. Franchisor reserves the right to increase the Brand Fund Contribution to (a) the greater of two percent (2%) of Franchisee's Gross Sales, or $500 per month.

3.4 **Local Marketing Requirement.** Subject to Sections 6.3 and 12.6 of this Agreement, Franchisee shall spend at least one thousand five hundred dollars ($1,500) each month on local marketing and promotions (the "Local Marketing Requirement"). Franchisee must use an approved supplier to conduct its

Local Marketing Requirement, which supplier may be Franchisor or Franchisor's affiliate.

3.5 **Computer Hardware and Software Fee**. Franchisee shall pay Franchisor's designated software provider a monthly fee associated with maintaining required computer hardware and software (including any POS System/software), and such payment shall be made in the manner designated by Franchisor or Franchisor's designated software provider. Franchisor reserves the right to change the amount of this fee and the manner of payment of this fee as changes are made to the System's hardware and software requirements, which are described more fully in Sections 7.8 and 7.9 of this Agreement.

3.6 **Music and/or Entertainment Licenses.** Franchisee shall pay to Franchisor, a supplier approved by Franchisor, or a third-party the then-current cost to obtain a music or streaming licensing fee (the "Music and Entertainment Licensing Fee").

3.7 **Technology Fee.** Franchisee shall pay the then-current technology fee to Franchisor or one of its Approved Suppliers. Franchisor's technology fee as of the Effective Date is $450 per month, but this amount is subject to change in Franchisor's sole judgment (the "Technology Fee").

3.8 **Bookkeeping Fee.** Franchisee shall pay the approved vendor(s) their then-current bookkeeping fee which is currently $349 (the "Bookkeeping Fee").

3.9 **Annual Membership Contract Fee.** Franchisee is obligated to pay to Franchisor, its affiliate or approved supplier the then-current Membership Contract Fee, which is currently $250 per month.

3.10 **Gross Sales Reports**. Franchisee must send Franchisor a signed Gross Sales Report ("Gross Sales Report") on the tenth (10th) day of each month for the preceding month ending in the manner and form Franchisor specifies. Each Gross Sales Report must set forth: (i) the Gross Sales generated during the period; (ii) a calculation of the Royalty and if applicable, Brand Fund Contribution; (iii) the profit and loss statement for the prior month; and (iv) any other information Franchisor may require. Franchisor may change the form and content of the Gross Sales Reports from time to time and/or require Franchisee to submit Gross Sales Reports on a different schedule upon notice to Franchisee.

3.11 **Manner of Payment**. Payment of Royalties shall be made on a monthly basis, on the fifth (5th) day of each month for the preceding month and shall be made by an electronic funds transfer program (the "EFT Program") under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor, from Franchisee's merchant or bank account. Franchisor reserves the right to deduct fees at the time of transaction. Franchisee shall deposit all revenues from operation of Franchisee's Franchised Business into Franchisee's bank account within two (2) days of receipt, including all cash, checks, and credit card receipts. Before opening Franchisee's Franchised Business, Franchisee shall provide Franchisor with Franchisee's bank name, address and account number, a voided check from such bank account, and shall sign and give to Franchisor and Franchisee's bank, all documents, including Exhibit E to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer ("EFT"). Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including changes in account numbers. Franchisor reserves the right to require Franchisee to pay any fees due under this Agreement by such other means as Franchisor may specify from time to time. If any Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject month based on the most recent Gross Sales Report provided by Franchisee to Franchisor, provided, that if a Gross Sales Report for the subject month is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations.

3.12 **Insufficient Funds and Late Payments**. As part of Franchisee's participation in the EFT Program, if the funds in Franchisee's bank account are insufficient to cover any amounts due under this Agreement on the date such funds are due, or if Franchisee makes any late payment or underpayment of the Royalty or any other fee due under this Agreement or any other agreement between Franchisee and Franchisor, or any other charges or fees Franchisee owes Franchisor or Franchisor's affiliates, in addition to the overdue amount, Franchisor has the right to charge Franchisee interest on such amount from the date it was due until all past due amounts are paid, at a rate of the higher of one and a half percent (1.5%) interest per month of the unpaid balance, or the maximum permitted by law plus a penalty fee between one hundred dollars ($100) and two hundred and fifty dollars ($250) per occurrence. Franchisee shall be liable for all costs Franchisor incurs to collect such fees. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that Franchisee shall be responsible for that payment and any service charge. Nothing contained in this Section shall prevent Franchisor from exercising, in Franchisor's sole judgment, any other rights or remedies available to Franchisor under this Agreement.

3.13 **Non-Compliance Fee.** If Franchisor determines in Franchisor's sole judgment that Franchisee is not in compliance with Franchisor's System specifications and Franchisee fails to correct the non-compliance within the applicable cure period, then, in addition to Franchisor's other rights and remedies under this Agreement including Franchisor's right to terminate pursuant to Section 15, Franchisor may charge Franchisee the then-current non-compliance fee. The non-compliance fee is comprised of: (1) a lump sum payment in an amount designated by Franchisor (as of the Effective Date, $1,000, but Franchisor may increase this amount), and (2) an additional weekly charge in an amount designated by Franchisor (as of the Effective Date, $500, but Franchisor may increase this amount) payable each week until Franchisee corrects such non-compliance.

3.14 **Taxes on Payments**. In the event any taxing authority, wherever located, imposes any future tax, levy or assessment on any payment Franchisee makes to Franchisor, Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

3.15 **Other Amounts.** Franchisee will also be responsible for other costs associated with establishing and operating the Franchised Business in accordance with System standards and specifications that Franchisee may be required to pay to Franchisor's approved or designated supplier (which may include Franchisor or its affiliates): (a) local marketing and promotion of the Franchised Business; (b) training/tuition fees; and (c) ongoing software and POS licensing fees.

4. PROPRIETARY MARKS

4.1 **Franchisee's Use of the Proprietary Marks**.

4.1.1 Franchisee shall use only the Proprietary Marks which Franchisor designates, and only in the manner Franchisor authorizes and permits.

4.1.2 Franchisee shall use the Proprietary Marks only in connection with the Franchised Business in advertising for the Franchised Business.

4.1.3 Franchisee shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols "TM", "SM", "S" or "®", as applicable. Franchisee may not use the Proprietary Marks in connection with the offer or sale of any products or services which Franchisor has not authorized for use in connection with the System. Franchisee may not use the Proprietary Marks as part of Franchisee's corporate or another legal name. Franchisee's corporate name and all fictitious names under which Franchisee proposes to do business must be approved by Franchisor in writing before use. Franchisee must use Franchisee's corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "beem® Light Sauna." Franchisee must promptly register at the office of the county in which Franchisee's Franchised Business is located, or such other public office as provided for by the laws of the state in which Franchisee's Franchised Business is located, as doing business under such assumed business name.

4.1.4 Franchisee must identify itself as the owner of the Franchised Business (in the manner Franchisor prescribes) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations at the Franchised Business as Franchisor may designate in writing.

4.1.5 Franchisee must prominently display the Proprietary Marks on or in connection with any media advertising, promotional materials, posters, displays, receipts, stationery and forms that Franchisor designates and in the manner that Franchisor prescribes.

4.1.6 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

4.1.7 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on Franchisor's behalf.

4.1.8 Franchisee shall execute all documents Franchisor deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

4.1.9 Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right, though not the obligation to: (i) direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof; (ii) take action against uses by others that may constitute infringement of the Proprietary Marks; or (iii) defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. In such circumstances, if Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, Franchisor shall bear the cost of such defense, including the cost of any judgment or settlement. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, Franchisee shall bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in Franchisor's opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner not in accordance with this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts.

4.1.10 Franchisee expressly understands and acknowledges that:

4.1.10.1 Franchisor owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

4.1.10.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

4.1.10.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's ownership of, or right to use and to license others to use, the Proprietary Marks;

4.1.10.4 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

4.1.10.5 All goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

4.1.10.6 Except as specified in Sections 1.3 and 1.4 hereof, the license of the Proprietary Marks granted to Franchisee hereunder is nonexclusive and Franchisor retains the right, among others, (i) to use the Proprietary Marks itself in connection with selling products and services, (ii) to grant other licenses for the Proprietary Marks, and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing Franchisee any rights therein; and

4.1.10.7 Franchisor reserves the right, in Franchisor's sole discretion, to substitute different proprietary marks for use in identifying the System and the Franchised Businesses operating thereunder. Franchisee shall discontinue using all Proprietary Marks which Franchisor has notified Franchisee, in writing, have been modified or discontinued within ten (10) days of receiving written notice and, at Franchisee's sole cost and expense, shall promptly begin using such additional, modified or substituted Proprietary Marks.

5. CONFIDENTIAL INFORMATION

5.1 **Nondisclosure**. During the term of this Agreement, Franchisee will receive information which Franchisor considers its trade secrets and confidential information, including but not limited to information about proprietary services or products; any proprietary software Franchisor may now or in the future create; Franchisor's operational manual (as described in more detail in Section 6 of this Agreement); trade secrets; price marketing mixes related to the sale services offered or authorized for sale by System franchisees; standards and specifications for equipment; systems and training manuals; instructor training systems; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition systems; ongoing instructor training; general operations; Franchisor's copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation of a Franchised Business (collectively, the "Confidential Information"). Franchisee agrees that Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to Franchisee's employees that must have access to it in order to operate the Franchised Business. Franchisee acknowledges and agrees that certain information, including (i) Customer Data (defined in Section 7.14.2 below), including current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, are the sole property of Franchisor and also constitute the trade secrets and Confidential Information of Franchisor. Any and all information, knowledge, know-how, techniques, and other data which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement. Franchisee acknowledges and agrees that Franchisor has expended considerable time, effort, and money to develop the System, that the enumerated Confidential Information is not well known outside of the System, that the Confidential Information is of great value to the Franchisor, and that Franchisor is implementing this non-disclosure policy to protect its trade secrets and Confidential Information. Franchisee acknowledges that in the event of the actual or threatened breach of this Section 5.1, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm.

5.2 **Personnel**. Franchisee shall ensure that Franchisee's Designated Manager (as defined in Section 7.6.5 below) and other employees who have access to Franchisor's Confidential Information execute a Confidentiality and Noncompete Agreement, in the form attached hereto as Exhibit D, or as Franchisor, in Franchisor's sole discretion, otherwise prescribes. Franchisee must furnish Franchisor with a copy of each executed agreement.

5.3 **New Concepts**. If Franchisee, Franchisee's employees, or Franchisee's principals develop any new concept, process or improvement in the operation or promotion of the Franchised Business, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights, and other intellectual property rights related thereto. Franchisee and Franchisee's principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in any and all countries, and further agree to execute and provide Franchisor with all necessary documentations for obtaining and enforcing such rights. Franchisee and Franchisee's principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process, or improvement. If the foregoing provisions of this Section 5.3 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals hereby grant to Franchisor a worldwide, perpetual, nonexclusive, fully paid license to use and sublicense the use of the concept, process, or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

6. FRANCHISOR'S OBLIGATIONS

6.1 **Operations Manual**. Franchisor will loan or provide portal access to Franchisee of Franchisor's proprietary and confidential operations and training manual after signing the Franchise Agreement, as well as any other confidential manuals and writings prepared by Franchisor for Franchisee's use in operating a Franchised Business (collectively referred to as the "Operations Manual"). Franchisee shall operate the Franchised Business in strict compliance with the Operations Manual, as it may be reasonably changed from time to time. The Operations Manual shall remain confidential and Franchisor's exclusive property. Franchisee shall not disclose, duplicate, or make any unauthorized use of any portion of the

Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. Franchisee shall ensure that Franchisee's copy of the Operations Manual is current and up to date. If there is a dispute relating to the contents of the Operations Manual, the master copy which Franchisor maintains at Franchisor's corporate headquarters will control.

6.2 **Specifications for Equipment and Supplies**. To the extent Franchisor deems necessary in its sole discretion, Franchisor will provide written specifications for and designate sources of supply from which Franchisee agrees to purchase equipment and supplies necessary for the start-up and ongoing operations of Franchisee's Franchised Business.

6.3 **Local Marketing Requirement**. If, pursuant to Section 12.6 and to fulfill its Local Marketing Requirement, Franchisee elects to have Franchisor (or its affiliate) conduct monthly local marketing and promotions, then Franchisor will undertake such local marketing and promotion activities as Franchisor deems appropriate in Franchisor's sole judgment. Pursuant to Sections 3.4 and 12.6, Franchisee must pay to Franchisor each month: (1) $1,500 (the Local Marketing Requirement set forth in Section 3.4), plus (2) Franchisor's then-current monthly ad management fee. Franchisor's ad management fee as of the Effective Date is $850 per month, but this amount is subject to change in Franchisor's sole judgment. Franchisee hereby acknowledges and agrees that Franchisor's provision of local marketing and promotions activities does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of Franchisor's local marketing and promotion activities or for any other purpose.

6.4 **Ongoing Assistance**. Franchisor will provide Franchisee continuing consultation and advice, to the extent that Franchisor deems necessary and appropriate in its sole discretion, regarding the management and operation of the Franchised Business. Franchisor will provide such assistance, in Franchisor's discretion, by telephone, facsimile, intranet communication and on-site visits. If Franchisee requires and requests additional on-site assistance from Franchisor, subject to the availability of Franchisor's personnel, Franchisor will provide Franchisee with such assistance at Franchisor's then-current rate for providing such assistance, plus expenses, including but not limited to, Franchisor's travel and lodging expenses.

6.5 **Additional Training**. Franchisor may, in Franchisor's sole discretion, hold refresher and ongoing training courses, training courses upon a significant change to the System, or to assist Franchisee in the operation of Franchisee's Franchised Business, to provide additional assistance to franchisees. Such additional training may be provided online, or in any other manner as Franchisor determines. Up to five (5) days per year, Franchisor may require Franchisee, Franchisee's Designated Manager (as defined in Section 7.6.5 of this Agreement), and/or Franchisee's personnel to attend or participate in such training at Franchisor's then-current tuition rate for providing such training. All expenses, including Franchisee's, Franchisee's Designated Manager's, and Franchisee's personnel's transportation, meal, and lodging expenses to attend such training, if applicable, shall be Franchisee's sole responsibility.

6.6 **Toll Free Telephone Number**. Franchisor has the right, but not the obligation, to establish and maintain a toll-free telephone number for the purpose of improving customer service and conducting customer follow-up and satisfaction surveys. If Franchisor establishes a toll-free number, Franchisee must comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Operations Manual or otherwise in writing.

6.7 **Annual Conference**. Franchisor may, in Franchisor's discretion, hold an annual conference at a location to be selected by Franchisor (the "Annual Conference"). Franchisor shall determine the topics and agenda for such conference to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding Franchised Business operations and programs, and recognizing franchisees for their achievements.

Franchisor requires Franchisee to attend the Annual Conference and to pay Franchisor's then-current registration fee for two (2) people to attend the Annual Conference. Attendance is mandatory and the then-current registration will be incurred by Franchisee regardless of attendance. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are Franchisee's sole responsibility. Franchisor may use expenditures from the Brand Fund (as defined in Section 12.4 of this Agreement) for purposes related to the Annual Conference, including costs related to programs and materials.

6.8 **Business Plan Review.** If requested by Franchisee, Franchisor will review and advise on Franchisee's pre-opening business plan and financial projection. Franchisee acknowledges that Franchisor accepts no responsibility for the performance of the Franchised Business.

6.9 **Marketing Introduction Plan.** Franchisor shall advise Franchisee regarding the planning and execution of Franchisee's marketing introduction plan.

6.10 **On-Site Opening Assistance.** Franchisor shall provide support and assistance for Franchisee's business opening.

7. FRANCHISEE'S OBLIGATIONS

7.1 **Approved Location**. Franchisee shall (i) secure real estate, by purchase or lease, for the operation of the Franchised Business, and (ii) execute a Lease as described below within ninety (90) days of signing this Agreement. Franchisor shall have 30 days to review and approve any proposed location. If Franchisor has not approved a location for Franchisee to operate the Franchised Business as of the Effective Date of this Agreement, the parties will enter into the Site Selection Addendum attached as Exhibit B to this Agreement, the terms of which will govern the parties' site selection obligations. If Franchisor designates an agent for site selection assistance, Franchisor reserves the right to require Franchisee to use Franchisor's designated agent, or another real estate agent that Franchisor approves in writing, for site selection assistance. Franchisor has the right to review, evaluate and approve Franchisee's proposed lease for the Approved Location ("Lease") prior to execution. Franchisor may condition Franchisor's approval of any proposed Lease on, among other things, Franchisee's and Franchisee's landlord's execution of a Collateral Assignment of Lease in the form attached as Exhibit F to this Agreement. Franchisee must deliver an executed copy of the Lease and the Collateral Assignment of Lease to Franchisor within ten (10) days of execution of the Lease. Neither Franchisor's review of the Lease nor Franchisor's acceptance of the site Franchisee has selected constitutes a representation or guarantee that Franchisee will succeed at the selected Approved Location or an expression of Franchisor's opinion regarding the terms of the Lease. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business adviser to assist Franchisee in selecting a location and negotiating a lease for the Approved Location.

7.1.1 *Relocation*. Under no circumstances can Franchisee relocate the Franchised Business without Franchisor's prior written consent. If, for any reason, the Lease cannot be renewed or extended, or Franchisee cannot continue for any other reason to occupy the Approved Location, Franchisee must notify Franchisor and request the right to relocate Franchisee's Franchised Business. Franchisee must relocate Franchisee's Franchised Business to a mutually acceptable site within Franchisee's Designated Territory to complete the unexpired portion of the term of this Agreement. Franchisee must notify Franchisor of Franchisee's intention to relocate, procure a site acceptable to Franchisor at least ninety (90) days prior to closing operations at Franchisee's current Approved Location, and open for business at the new Approved Location within thirty (30) days of closing business at Franchisee's existing Approved Location. Franchisee shall reimburse Franchisor for the actual costs it incurs in connection with approving the relocation of the Franchised Business.

7.1.2 *Store Appearance and Construction.* The Franchised Business must conform to Franchisor's standards and specifications for the appearance, layout, and design of the Franchised Business. Franchisor shall provide Franchisee with a prototype layout for Franchisee's architect to use in the construction and build out of the Franchised Business. Franchisee must ensure that plans comply with applicable ordinances, building codes, permit requirements, and any other applicable local, state, or federal law. All construction and floor plans, and amendments thereto, must be approved by Franchisor prior to implementation. Franchisor reserves the right to approve of all of Franchisee's additional vendors for buildout and construction of the Franchised Business prior to commencement of their services. Each vendor must be properly licensed and insured to do business in the state where the Franchised Business is located.

7.1.3 *Opening Approval*. Franchisor shall have the right to inspect the Franchised Business prior to the opening of the Franchised Business to determine whether all construction or modification has been substantially completed, and that such construction or modification conforms to Franchisor's standards and specifications, including, but not limited to, standards and specifications regarding materials, quality of work, signage, décor, paint, and equipment. Franchisee shall obtain Franchisor's written approval prior to opening the Franchised Business, which approval shall not be unreasonably withheld. Franchisee shall provide at least thirty (30) days' prior notice to Franchisor of the date on which Franchisee proposes to first open the Franchised Business for business.

7.2 **Training**. Franchisee (or Franchisee's principal, as applicable) and Franchisee's Designated Manager (if one has been designated pursuant to Section 7.6.5 of this Agreement) must attend and successfully complete Franchisor's initial training program as set forth in Section 8.1 below.

7.3 **Opening Requirements; Pre-Opening Sales Activity**.

7.3.1 Franchisee shall open the Franchised Business within seven (7) to ten (10) months from the date the parties sign this Agreement. Franchisee shall open the Franchised Business within ninety (90) days from when Franchisee completes the Initial Training Program. Notwithstanding the foregoing, Franchisor reserves the right to extend such deadline in its sole discretion, upon Franchisee's reasonable request and the payment of Franchisor's extension fee, which is currently $1,500. If approved, Franchisor will grant Franchisee an additional 120 days to open the Franchised Business. Franchisee shall not be permitted to open Franchisee's Franchised Business unless and until Franchisee receives written notice from Franchisor approving Franchisee's proposed opening date.

7.3.2 Before Franchisor grants Franchisee permission to open the Franchised Business to the public, Franchisee must have pre-sold the minimum number of paid memberships Franchisor requires per the Operations Manual, with the intent and effect that such pre-sold memberships will commence immediately on the opening date of the Franchised Business ("Pre-Sale Membership").

7.4 **Purchasing Requirements**.

7.4.1 <u>Compliance with Standards</u>. Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the Franchised Business and to maintain uniformity throughout the System. Franchisee shall adhere to the standards and specifications set forth in this Agreement and the Operations Manual or otherwise in writing, as they may be revised or amended from time to time. Franchisee shall use signs, furnishings, supplies, fixtures, equipment and inventory which comply with Franchisor's then-current standards and specifications (including, without limitation, standards and specifications for products, services, equipment, furnishings, audio and video materials, fixtures and signage), which Franchisor establishes from time to time.

Franchisor has the right to change Franchisor's standards and specifications in Franchisor's discretion. Franchisee acknowledges that Franchisee may be required to incur an increased cost to comply with any such changes at Franchisee's expense. Franchisor and Franchisee agree that any materials, guidance, or assistance that Franchisor provides with respect to the terms and conditions of employment for Franchisee's employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for Franchisee's optional use. Those materials, guidance and assistance do not form part of the mandatory System standards. Franchisee will determine to what extent, if any, these materials, guidance, or assistance should apply to Franchisee's employees. Franchisee acknowledges that Franchisor does not dictate or control labor or employment matters for franchisees and their employees and will not be responsible for the safety and security of Franchisee's employees or patrons. Franchisee is solely responsible for determining the terms and conditions of employment for all Franchisee's employees, for all decisions concerning the hiring, firing and discipline of Franchisee's employees, and for all other aspects of Franchisee's labor relations and employment practices.

7.4.2 Designated and Approved Suppliers. Recognizing that preservation of the System depends upon uniformity and the maintenance of Franchisor's trade dress, Franchisee agrees to purchase certain signs, furnishings, supplies, fixtures, signage, equipment and inventory from Franchisor, its affiliate(s) or from approved or designated third party suppliers as Franchisor shall specify, from time to time, in the Operations Manual and otherwise in writing. Franchisee hereby acknowledges that Franchisor, Franchisor's affiliates and/or a third party may be one of several, or the only, approved supplier of any item. Franchisee further acknowledges and agrees that Franchisor and/or Franchisor's affiliates have the right to realize a profit on any items that Franchisor, Franchisor's affiliates or Franchisor's approved suppliers supply to Franchisee.

7.4.3 Supplier Approval. In the event Franchisee wishes to purchase any unapproved item, including equipment and supplies, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, if known. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. Franchisee must pay Franchisor its then-current fee for reviewing an alternate supplier or product, which is currently $1,000. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier), for any purposes Franchisor deems appropriate. Nothing herein shall require Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. Franchisor may revoke Franchisor's approval of products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Franchisee must use products purchased from approved suppliers solely in connection with the operation of Franchisee's Franchised Business and not for any competitive business purpose.

7.4.4 System Suppliers. Franchisor may establish business relationships, from time to time, with suppliers who may provide services or produce, among other things, certain furnishings, supplies, fixtures, and equipment according to Franchisor's proprietary standards and specifications ("System Suppliers"). Franchisee recognizes that such products and services are essential to the operation of the Franchised Business and to the System generally. Franchisee further recognizes that Franchisee's failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, Franchisee expressly agrees to pay System Suppliers as and when due.

7.5 **Authorized Services**. Franchisee shall offer for sale all services which Franchisor prescribes and only those services which Franchisor prescribes. Franchisee may not offer any services or products for sale, rent or lease without having received Franchisor's prior written authorization.

7.6 **Operations**.

7.6.1 Franchisee must operate Franchisee's Franchised Business for at least those months, hours and days that Franchisor specifies in the Operations Manual or otherwise in writing.

7.6.2 Franchisee must maintain the Approved Location in a clean, safe and attractive manner, and in accordance with all applicable requirements of law, including all federal, state and local regulations, and the Operations Manual.

7.6.3 Franchisee must employ a sufficient number of qualified, competent personnel, offer prompt, courteous and efficient service to the public, and otherwise operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of the Franchised Business during working hours shall dress conforming to Franchisor's standards, shall present a neat and clean appearance (including wearing Franchisor's uniform, if required) in conformance with Franchisor's reasonable standards, and shall render competent, efficient service to the customers of the Franchised Business.

7.6.4 Franchisee agrees to operate the Franchised Business in accordance with the Operations Manual. Franchisee shall immediately train and instruct Franchisee's personnel in accordance with the Operations Manual and shall continue such training and instruction as long as each employee is employed. The Operations Manual shall set forth the practices, procedures, and methods to be utilized at Franchisee's Franchised Business.

7.6.5 Franchisee (or at least one of Franchisee's principals if Franchisee is an entity or partnership) must personally supervise the day-to-day operations of the Franchised Business and devote Franchisee's personal full-time attention to the management and operation of the Franchised Business. Franchisee may, however, delegate the day-to-day management of Franchisee's Franchised Business to a manager (a "Designated Manager"). Franchisor must approve any Designated Manager and any Designated Manager must successfully complete Franchisor's initial training program before assuming any managerial responsibility. Each Approved Location must be always staffed by Franchisee or a Designated Manager. Franchisee shall keep Franchisor informed at all times of the identity of any employee acting as a Designated Manager. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the Franchised Business and shall not engage in any other business activity without Franchisor's prior written consent.

7.6.6 Franchisee must at all times maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities hereunder and to operate the Franchised Business in a businesslike, proper and efficient manner.

7.6.7 Franchisee will obtain and use all equipment required by Franchisor and will refrain from using any equipment prohibited or not approved by Franchisor.

7.6.8 Franchisee will use only Franchisor's approved methods, which shall be outlined, and updated as Franchisor deems necessary, by Franchisor's director of training. Franchisee will only provide such classes in the manner Franchisor specifies.

7.7 **Franchised Business Evaluation**. Franchisee agrees, that in order to maintain the high quality and uniform standards associated with the System and to protect its goodwill and reputation, to permit Franchisor, during business hours, to inspect Franchisee's Approved Location, and, if applicable, office space, confer with Franchisee and Franchisee's personnel and customers, check methods, and techniques, and perform any other inspection which Franchisor deems necessary to protect the standards of quality and uniformity of the System and Franchisee's performance under this Agreement. Franchisee is obligated to make changes to Franchisee's operations based upon any inspections by Franchisor. Franchisee must reimburse Franchisor if Franchisor inspects the Franchised Business as a result of a governmental report, customer complaint, or other customer feedback, or Franchisee's default under this Agreement or non-compliance with any system specification.

7.8 **Computer Software and Hardware**. Franchisee shall purchase and use any and all computer software programs ("Software") which Franchisor has developed or may develop and/or designate for use for the System and shall purchase such computer hardware as may be necessary for the efficient operation of the Software, which may include, without limitation, desktop computer, printer, fax machine, mobile phone and a wireless router. Franchisor has the right to require Franchisee to update or upgrade computer hardware components and/or Software as Franchisor deems necessary from time to time. In addition, Franchisor has the right to require Franchisee to enter into a separate maintenance agreement for such computer hardware and/or Software. Notwithstanding the fact that Franchisee must buy, use, and maintain the computer hardware and Software meeting Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Software; and (ii) any and all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded.

7.8.1 Franchisee must use the proprietary software that Franchisor designates (the "Designated Software") and pay the associated monthly and/or annual fee(s) for the Designated Software. Franchisor reserves the right to change the amount of this fee as changes are made to the System's hardware and software requirements. Franchisee, at its own expense, must obtain the computer hardware required to implement the Designated Software, and Franchisee must comply with all specifications and standards prescribed by Franchisor regarding the Designated Software as provided from time to time in the Operations Manual or otherwise in writing. Franchisee shall only utilize the Designated Software as prescribed by Franchisor and the Designated Software will be a part of Franchisor's Confidential Information. Franchisee expressly acknowledges that Franchisor shall have the unlimited right to access all data contained in the Designated Software, as well as any other Software used by Franchisee in the operation of the Franchised Business, and accordingly, Franchisee must take any and all actions specified by Franchisor to ensure that Franchisor has said access to the Designated Software and/or other Software.

7.8.2 Franchisor and its affiliates may, through the Computer Software or otherwise, have access to Customer Data (defined in Section 7.14.2 below). During and after the Term, Franchisor and its affiliates may make all disclosures and use the Customer Data in its and their business activities and in any manner that Franchisor or they deem necessary or appropriate. Franchisee must secure from its vendors, customers, prospective customers, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to Franchisor and its affiliates and for Franchisor and its affiliates to use that Customer Data in the manner that this Agreement contemplates.

7.9 **Area Computer Network, Intranet or Extranet Participation**. Franchisee is required to participate in any System-wide area computer network, intranet system or extranet system that Franchisor implements and may be required by Franchisor to use such area computer network, intranet system or extranet system to, among other things: (i) submit Franchisee's reports due under this Agreement to Franchisor online; (ii) view and print portions of the Operations Manual; (iii) download approved local advertising, marketing, and promotions materials; (iv) communicate with Franchisor and other System franchisees; and (v) participate in online training. Franchisee agrees to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

7.10 **Personal Conduct**. Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring Franchisor's Proprietary Marks or System into disrepute.

7.11 **Best Efforts**. Franchisee must use best efforts to promote and increase the demand for the goods and services of the Franchised Business. All of Franchisee's advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the Franchised Business or the goodwill associated with the Proprietary Marks and System.

7.12 **Telephone, Facsimile, and Domain Names**. Franchisee expressly agrees to execute the Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers and Domain Names attached hereto as Exhibit C, which provides that, upon the expiration, transfer or termination of this Agreement for any reason, Franchisee shall terminate Franchisee's use of such telephone number and listing, as well as any other facsimile numbers and listings and domain names and Internet listings, and assign same to Franchisor or Franchisor's designee.

7.13 **Payment of Debts**. Franchisee is solely responsible for selecting, retaining and paying Franchisee's personnel; the payment of all invoices for the purchase of goods for use in the Franchised Business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the Franchised Business. Franchisee agrees to pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee agrees to indemnify Franchisor in the event that Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between System Suppliers and System franchisees. If Franchisor makes any payment on Franchisee's behalf, Franchisor reserves the right to charge Franchisee a ten percent (10%) fee on top of any payment. Franchisee agrees to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes, arising from Franchisee's operation of the Franchised Business. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for these taxes.

7.14 **Compliance with Applicable Laws**.

7.14.1 <u>General</u>. Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the construction, design and operation of the Franchised Business (including, without limitation, all regulations relating to self-care centers or sauna studios generally, occupational hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes, and the applicable provisions of the Americans with Disabilities Act ("ADA")). Franchisee expressly acknowledges that Franchisor has not researched the specific laws and regulations applicable to Franchisee's Franchised Business, and that Franchisee is solely responsible for compliance with such laws and regulations. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's personnel be deemed to be employees of Franchisor or Franchisor's affiliates.

7.14.2 Customer Data; Data Security. In addition to Franchisee's obligation under Section 7.14.1 above, and in addition to Franchisee's obligation to comply with Franchisor's System standards (including relating to data privacy and protection), Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations, prevailing industry standards (including payment card industry data security standards), as any of them may be modified from time to time, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Customer Data on Franchisee's Computer Software and hardware or otherwise in Franchisee's possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. "Customer Data" means names, contact information, financial information, ordering history and other personal information of or relating to the Franchisee's customers and prospective customers at its Franchised Business. If there is a suspected or actual breach of security or unauthorized access involving Franchisee's Customer Data (a "Data Security Incident"), Franchisee must notify Franchisor immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed. Franchisee must comply with Franchisor's instructions in responding to any Data Security Incident. Franchisor has the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding, or other proceeding at Franchisee's expense.

7.15 **Trade Secrets and Confidential Information**. Franchisee must maintain the confidentiality of all Confidential Information as set forth in Section 5 of this Agreement.

7.16 **Image**. Franchisee acknowledges that Franchisor has developed the System to offer services which will distinguish the Franchised Business from other businesses and chains that offer different self-care and/or sauna services or similar services at different prices and with less attention paid to the quality of the member experience. Franchisee agrees to offer services and to conduct the Franchised Business in such a manner which will serve to emulate and enhance the image Franchisor intended for the System. If Franchisee receives customer complaints in the operation of the Franchised Business, Franchisor may take any action it deems appropriate to resolve a customer complaint and Franchisee shall reimburse Franchisor any costs in resolving the complaint. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee but also to Franchisor and to other System franchisees in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor sets forth in order to uniformly convey the distinctive image of a Franchised Business. Franchisee shall, in the operation of the Franchised Business, use only displays, forms and other specified materials imprinted with the Proprietary Marks and colors as prescribed from time to time by Franchisor.

7.17 **Pending Actions**. Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding or the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

7.18 **Standard Maintenance**. Franchisee agrees to repair, refinish, repaint, replace, and/or otherwise maintain the Approved Location and the contents thereof, including its signs, sauna and/or other equipment, fixtures, and any other tangible part or property associated with the Franchised Business, at Franchisee's sole expense and at such times as Franchisor may reasonably direct. Franchisee agrees that Franchisor has the right to direct Franchisee to repair, refinish, repaint, replace, and/or otherwise maintain the Approved Location in the manner necessary to bring it/them into conformance with other Franchised Businesses opening at the time of such direction. Franchisee shall upgrade and/or replace the equipment and saunas every four (4) – six (6) years as needed. Franchisee shall also upgrade and update the Franchised Business every five (5) years as required.

7.19 **Agreements with Clients**. Prior to providing any services to any Client, Franchisee will provide to that Client any information or disclosures required by Franchisor or otherwise by law. Franchisee will fully comply with any Client warranty or guarantee program implemented by Franchisor, and Franchisee will not misrepresent or omit to state any required warranty or guarantee. Franchisee will resolve all Client complaints and disputes directly with Clients, and will make every reasonable effort not to involve Franchisor in those disputes.

7.20 **Forms of Client Payment**. Franchisee will maintain agreements or arrangements with any financial institution or credit/debit card issuer or sponsor designated by Franchisor, so that the Franchised Business may accept Clients' credit cards, debit cards, checks, and other methods of payment designated by Franchisor.

8. TRAINING

8.1 **Initial Training Program**. Franchisee shall attend (if Franchisee is a partnership, corporation or limited liability company, Franchisee's general partner, principal shareholder, or principal member/manager, as appropriate, shall attend) and complete to Franchisor's satisfaction, Franchisor's initial tuition-free training program (the "Initial Training Program"). If Franchisee has a Designated Manager, as described in Section 7.6.5 of this Agreement, then he/she/they shall also attend the initial tuition-free training program. Franchisor provides the Initial Training Program for up to four people, including Franchisee, tuition free so long as both individuals attend at the same time. If all individuals do not attend the Initial Training Program at the same time, Franchisor reserves the right to charge its then-current tuition fee. All training shall be held at Franchisor's headquarters in Charlotte, NC or another site designated by Franchisor. All training related expenses, including Franchisee's and its employees' transportation to and from the training site, as well as their lodging, meals, and wages during training, are Franchisee's sole responsibility. Franchisee shall complete the Initial Training Program to Franchisor's satisfaction no later than forty-five (45) days prior to commencing operations of the Franchised Business. Should Franchisee or another individual fail to complete the initial training program to Franchisor's satisfaction, at Franchisor's option, the respective person may repeat the course. Franchisor may charge its then-current tuition fee for such repeat training. Failure by Franchisee to complete the initial training program to Franchisor's satisfaction is a cause for termination of this Agreement and Franchisor may terminate this Agreement.

8.2 **Training of Additional Personnel**. Franchisee's other employees may be trained by Franchisee, or at Franchisee's request, and subject to the availability of Franchisor's personnel, Franchisor will train Franchisee's additional personnel at Franchisor's then-current tuition rate. Franchisee is responsible for all expenses, including transportation to and from the training site, as well as lodging, meals, and wages during training, incurred in training Franchisee's additional personnel. Only Franchisor-provided training materials may be used by Franchisee in training Franchisee's personnel. Updated training materials will be provided to Franchisee by Franchisor as they are developed. All training materials provided to Franchisee by Franchisor shall at all times remain Franchisor's property and Confidential Information, and Franchisee agrees not to challenge Franchisor's or Franchisor's affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

8.3 **Special Support.** If Franchisor provides Franchisee with in-person support (i) in response to Franchisee's request, or (ii) if Franchisor deems it necessary, Franchisor may charge Franchisee its then-current special support fee (the "Special Support Fee") plus any out-of-pocket expenses Franchisor may incur (such as travel, lodging and meals).

9. INSURANCE

Franchisee agrees to purchase/procure and maintain such insurance covering the operation and location of the Franchised Business as Franchisor may designate from time to time, prior to signing the lease for the Franchised Business. Franchisor's insurance requirements on the Effective Date are as follows (but are subject to change in Franchisor's sole judgment): (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Studio, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, with umbrella coverage of $2,000,000; and (iv) Workers Compensation coverage as required by state law. Franchisee must maintain these insurance levels throughout the term of Franchisee's Franchise Agreement, or otherwise obtain the insurance that we specify in our Operations Manual or otherwise in writing from time to time.

Franchisee agrees to provide Franchisor with proof of coverage on demand. Franchisee agrees to obtain these insurance policies from insurance carriers that are rated "A" or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which Franchisee operates its Franchised Business. All insurance policies must: (i) name Franchisor (and Franchisor's members, officers, directors, and employees) as additional insureds; and (ii) contain a waiver by the insurance carrier of all subrogation rights against Franchisor. Furthermore, Franchisee shall be required to provide ten (10) days prior written notice of the termination, expiration, cancellation or modification of any insurance policy. Franchisor's acceptance of an insurance carrier does not constitute Franchisor's representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee also expressly agrees to carry such insurance as may be required by any of Franchisee's lenders or equipment lessors. Franchisee must annually submit a certification of insurance which demonstrates compliance with this Section. If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee shall pay Franchisor, on demand, the premium cost thereof and administrative costs of ten percent (10%) in connection with Franchisor's obtaining the insurance. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon prior written notice to Franchisee, and Franchisee shall comply with any such modification within the time specified in said notice.

10. FINANCIAL RECORDS AND REPORTS

Franchisee must maintain for at least seven (7) fiscal years from their preparation complete financial records for the operation of the Franchised Business in accordance with U.S. generally accepted accounting principles and must provide Franchisor with: (i) a monthly Gross Sales Report signed by Franchisee and in the form Franchisor specifies, which contains the sales information pertaining to the preceding month including, without limitation, a summary of all monies received during the relevant period categorized by service, as well as counts of clients, leads, new member sales and overall members, and such other additional information which Franchisor deems necessary to properly evaluate Franchisee's progress; (ii) a quarterly income statement and profit and loss statement, within fifteen (15) days following the end of each quarter, in a format specified by Franchisor, including a standard chart of accounts; (iii) annual financial reports and operating statements in the form Franchisor specifies, prepared by a certified public accountant or state licensed public accountant, within ninety (90) days after the close of each of Franchisee's fiscal years; (iv) state and local sales tax returns or reports and federal, state and local income tax returns for each year in which Franchisee's Franchised Business is operated, within thirty (30) days after their timely completion; and (v) such other reports as Franchisor may from time to time require, in the form and at the time Franchisor prescribes. Franchisee's fiscal year must be on a calendar year basis. To assist Franchisee in recording and keeping accurate and detailed financial records for reports and tax returns, Franchisor, at Franchisor's discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records for Franchisee to use, and specify the type of equipment to be used in connection with the Franchised Business. Franchisor shall have full access to all of Franchisee's data, system, and related information by means of direct access. Franchisor may disclose data derived from the reports listed above in any context that Franchisor deems appropriate. Moreover, Franchisor may, as often as Franchisor deems appropriate (including on a daily basis), access Franchisee's computer Software and hardware and retrieve all information relating to the Franchised Business's operation (other than information relating to the Franchised Business's employees, as Franchisee controls exclusively labor relations and employment practices for the Franchised Businesses employees).

11. BOOKS AND RECORDS

Franchisee must maintain accurate business records, reports, accounts, books and data relating to the operation of Franchisee's Franchised Business. Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records, which includes Franchisee's call logs related to the Franchised Business, at any time during normal business hours, to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Operations Manual. If any audit reveals that Franchisee has understated Franchisee's Royalty or any other payments due to Franchisor, or Franchisee's Local Marketing expenditures, by more than three percent (3%) Franchisee must pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent Franchisor incurs such costs), together with any amounts due for Royalty and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Agreement.

12. ADVERTISING

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 **Generally**. With regard to advertising generally for the Franchised Business, Franchisee shall place or display on the Approved Location only such signs, emblems, lettering, logos, displays and advertising materials as Franchisor approves in writing from time to time. Franchisee shall submit to Franchisor, at least fifteen (15) days prior to publication or use, samples of all sales, promotional, and advertising materials Franchisee desires to use and which Franchisor has not previously approved, including, but not limited to, print, digital, radio and television advertising, signage, supplies and packaging. Franchisor's failure to approve or disapprove the materials within fifteen (15) days of receipt shall be deemed a rejection. All advertising shall prominently display the Proprietary Marks and shall comply with any standards for use of the Proprietary

Marks Franchisor establishes as set forth in the Operations Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, within time frames prescribed by Franchisor, at Franchisee's sole cost and expense. Franchisee will ensure that its local marketing and promotions reflect favorably on and do not disparage the Proprietary Marks, Franchisor, and any other franchisee.

12.2 **Territorial Advertising Restriction**. Franchisee is permitted to market and advertise solely within Franchisee's Designated Territory. Notwithstanding the foregoing, Franchisee may provide services to customers from outside Franchisee's Designated Territory if they are within a 25-minute drive from Franchisee's Designated Territory. Franchisee may not advertise the Franchised Business or any products or services offered by the Franchised Business via the Internet or any other means of e-commerce, except as permitted in Section 12.3 below.

12.3 **Internet Website**. Franchisee must have and maintain adequate hardware and software in order to access high speed Internet, such that Franchisee is able to access Franchisor's designated Software. Franchisee is prohibited, however, from establishing any website or other presence on the Internet, except as provided herein.

12.3.1 Franchisor has established an Internet website that provides information about the System and the services offered by Franchised Businesses. Franchisor shall have sole discretion and control over the website (including timing, design, contents and continuation).

12.3.2 Franchisor may provide an interior page on its website(s) or a separate Franchisor-created website that contains information about Franchisee's Franchised Business. Franchisor reserves the right to require Franchisee to prepare and maintain all of the information, links, videos, images, etc. needed for Franchisee's page, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

12.3.3 Franchisee is permitted to have directory webpages (including Yelp and Google Places), but social media and directory websites are created and designated by Franchisor (including Facebook and Instagram), to contain Franchisee's Franchised Business-related content for distribution to Franchisee's community ("Permitted Webpages"). Franchisee will contribute content and manage these local social media sites per the Franchisor's guidelines and as stated in the Operations Manual. Franchisor retains the right to monitor, modify and/or remove any posted content on such sites. Notwithstanding the foregoing, Franchisee may post Instagram and/or Facebook "stories" without submitting to Franchisor for prior approval so long as the "stories" are solely related to infrared therapy and/or beem® Light Sauna benefits. Franchisee's Permitted Webpages should only contain content relevant to Franchisor's mission and must meet Franchisor's standards and otherwise support Franchisor's brand, image and methodologies. Franchisor reserves the right to demand that Franchisee remove any nonconforming Permitted Webpages or blog post(s), to delete the link to Franchisee's Permitted Webpage(s) from Franchisor's website, and/or to revoke Franchisee's right to continue using such Permitted Webpage, if Franchisor determines in its sole discretion that the content of Franchisee's Permitted Webpage(s) is detrimental to Franchisor's brand and image.

12.3.4 Except Franchisee's Permitted Webpages, or as approved in advance in writing by Franchisor, Franchisee must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business. All additional websites for Franchised Businesses will be centrally managed from the corporate website to maintain consistency, consolidate views/likes/etc., and reduce the expense and time required by Franchisee to create and manage individual websites and pages. If such approval is granted by Franchisor, Franchisee must: (i) establish and operate such Internet site or listing in accordance with System standards and any other policies Franchisor designates in the Operations Manual or otherwise in writing from time to time, including but not limited to Franchisor's Internet privacy policies; and (ii) utilize any templates that Franchisor provides to Franchisee to create and/or modify such site(s).

12.3.5 Franchisor reserves the right to require Franchisee to include links for customers or the public at large to buy products for sale online, one or more of one of Franchisee's Permitted Webpages. Franchisee may not receive any consideration as a result of such sales. The terms of any consideration will be set forth in the Operations Manual, which we may change from time to time.

12.3.6 Franchisor shall have the right to modify the provisions of this Section 12.3 relating to Internet websites as Franchisor deems necessary or appropriate in the best interest of the System.

12.3.7 Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain name www.beemLightSauna.com and any other Internet domain names registered by Franchisor, and Franchisee unconditionally disclaims any ownership interest in such domain names and any Internet domain names colorably similar thereto. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates, or any abbreviation, acronym, phonetic variation or visual variation of those words.

12.4 **Brand Fund**. Franchisor has the right to establish and administer a national advertising fund (the "Brand Fund"). Once established, Franchisor has the right to require Franchisee to participate in and contribute monthly to the Brand Fund in an amount equal to the greater of one percent (1%) of Franchisee's Gross Sales, or $250 per month. (the "Brand Fund Contribution") in the manner Franchisor prescribes. Franchisor reserves the right to increase the Brand Fund Contribution to the greater of two percent (2%) of Franchisee's Gross Sales, or $500 per month. If Franchisor requires Franchisee to contribute to a Brand Fund, Franchisee must pay the Brand Fund Contribution in the same manner and time as the Royalty fees due under this Agreement.

12.4.1 Franchisor will use contributions to the Brand Fund, in Franchisor's sole discretion, to develop, produce and distribute national, regional and/or local marketing and to create advertising materials and public relations programs which promote, in Franchisor's sole judgment, the products and services offered by the System. Franchisor has the sole right to determine contributions and expenditures of the Brand Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that Franchisor will make a good faith effort to spend the Brand Fund's contributions in the general best interests of the System on a national or regional basis. Nevertheless, Franchisee acknowledges that not all System Franchisees will benefit directly or on a pro rata basis from the Brand Fund's expenditures. Franchisor may use the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities, and advertising agencies; the cost of developing and maintaining an Internet website and managing social media and other online advertising; the cost of holding an Annual Convention, and personnel and other departmental costs for advertising that Franchisor internally administers or prepares. While Franchisor does not anticipate that any part of the Brand Fund's contributions will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund's contributions for public relations or recognition of the brand and for the creation and maintenance of Franchisor's website, 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." Sales materials, if developed, may be sold to franchisees at a reasonable cost.

12.4.2 Franchisor may periodically assist franchisees in maintaining high quality standards by conducting customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be paid from the Brand Fund. The cost of these programs may be charged directly to Franchisee if Franchisee's results from a Survey fall below System-established minimum standards for such Surveys.

12.4.3 Franchisor has the right to reimburse itself from the Brand Fund contributions for such reasonable costs, overhead, and personnel salaries, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund.

12.4.4 Franchisor will prepare on an annual basis, and will have available for Franchisee within 120 days of the end of the fiscal year, a statement of contributions and expenditures for the Brand Fund, which will be provided to Franchisee upon Franchisee's written request. The Brand Fund is not required to be independently audited.

12.4.5 Franchisor is under no obligation to conduct any advertising in Franchisee's Designated Territory, however, Franchisor reserves the right to conduct such advertising if it chooses to do so in its sole discretion.

12.4.6 Franchisor will use commercially reasonable efforts to effectively operate all advertising, marketing, and promotions activities, including the Brand Fund, but Franchisor will have no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Brand Fund. Franchisee is not a third-party beneficiary of any other franchise agreement and will have no right to require or enforce any contributions from other franchisees to, or with respect to the administration of, the Brand Fund. Franchisee has no proprietary right in the Brand Fund or the media created for it, and Brand Fund Contribution funds are not held in trust and do not create any trust or fiduciary duties on behalf of Franchisor.

12.4.7 If Franchisor establishes a Brand Fund, Franchisor may at any time defer or reduce a franchisee's contributions to the Brand Fund and, upon at least thirty (30) days' written notice to Franchisee, reduce or suspend Brand Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If Franchisor terminates the Brand Fund, Franchisor will (at Franchisor's option) either spend the remaining Brand Fund assets according to this Section 12.4 or distribute the unspent assets to franchisees (including Franchisor and its affiliates, if applicable) then contributing to the Brand Fund in proportion to their contributions during the preceding 12-month period.

12.5 **Regional Advertising and Promotional Cooperative**. Franchisor shall have the right, in Franchisor's sole discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to Franchisee's Business. Franchisor has the right to require that a Cooperative and/or franchisee advisory council be formed, changed, dissolved or merged. If a Cooperative has been established applicable to Franchisee's Franchised Business at the time Franchisee begins operating under this Agreement, Franchisee must immediately become a member of such Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time during the term of this Agreement, Franchisee must become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative begins operation. If the Franchised Business is within the territory encompassed by more than one Cooperative, Franchisee is required to be a member of only one such Cooperative. The following provisions will apply to each Cooperative:

12.5.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

12.5.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local marketing;

12.5.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 12.1 hereof;

12.5.4 All contributions (which may exceed the Local Marketing Requirement described in Section 12.6, however Franchisee will receive credit for Cooperative contributions against the Local Marketing Requirement) to the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative, subject to Franchisor's approval, which shall not be unreasonably withheld;

12.5.5 Each member franchisee must submit to the Cooperative, no later than the 5th of each month, for the preceding month, its respective contribution as provided in this Agreement together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

12.5.6 All activities and decisions of the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative; and

12.5.7 Franchisor may grant to any franchisee, in Franchisor's sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final.

12.6 **Local Marketing**. In addition to the Brand Fund Contribution described above in Section 12.4, and pursuant to Section 3.4, Franchisee must undertake the Local Marketing Requirement described in Section 3.4 above (including the requirement to spend at least one thousand five hundred dollars ($1,500) each month on local marketing and promotions). Franchisee must use an approved supplier to conduct its Local Marketing Requirement, which supplier may be Franchisor or Franchisor's affiliate. If, to fulfill its Local Marketing Requirement, Franchisee elects to have Franchisor (or its affiliate) conduct monthly local marketing and promotions, then Franchisor will undertake such local marketing and promotion activities as Franchisor deems appropriate in Franchisor's sole judgment. Pursuant to Sections 3.4 and 6.3, Franchisee must pay to Franchisor each month: (1) $1,500 (the Local Marketing Requirement set forth in Section 3.4), plus (2) Franchisor's then-current monthly ad management fee. Franchisor's ad management fee as of the Effective Date is $850 per month, but this amount is subject to change in Franchisor's sole judgment. Franchisee hereby acknowledges and agrees that Franchisor's provision of local marketing does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of Franchisor's local marketing and promotion activities or for any other purpose.

If Franchisee elects to have an approved supplier other than Franchisor (or Franchisor's affiliate) conduct its Local Marketing Requirement, Franchisee shall pay that approved supplier its then-current ad management fee. The ad management fee does not count towards Franchisee's Local Marketing Requirement. Franchisee acknowledges and agrees that Franchisee's Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local marketing. Franchisee may spend any additional sums Franchisee wishes on local marketing and promotions. Franchisee must use only such advertising and promotional materials as have been previously approved by Franchisor. Franchisee must send Franchisor proof of these expenditures along with Franchisee's Gross Sales Reports, as specified in Section 3.8 of this Agreement. Franchisee's local marketing and promotions efforts will include advertisement of the Franchised Business in any print or online directory listings required by Franchisor, which advertisements Franchisee will submit to Franchisor for approval prior to placement.

12.7 **Promotional Programs.** If at any time during the Term of this Agreement, but not before the end of the 12-month period following the Opening Date of the Franchised Business, Franchisee's Gross Sales are not at least 70% of the annual, average Gross Sales of all franchised businesses that have operated their businesses for at least 12 months, then Franchisor may require Franchisee to participate in a special promotional program that Franchisor implements, and Franchisee must pay the costs of doing so with such costs not to exceed $3,000.

12.8 **Initial Advertising Spend.** Franchisee shall spend between $20,000 - $25,000 on the initial advertising of the Franchised Business. Franchisee will be required to pay an ad management fee to either Franchisor or an approved supplier to conduct such advertising. The ad management fee is in addition to and not included in this range. The Initial Advertising Spend will occur during a period of approximately 90 days before the Franchised Business opens until the Franchised Business opens.

13. INDEPENDENT CONTRACTOR; INDEMNIFICATION

13.1 **Independent Contractor Status**. Franchisee is an independent contractor responsible for full control over the internal management and daily operation of Franchisee's Franchised Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor's agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All stationery, business cards and contractual agreements entered into by Franchisee shall contain Franchisee's corporate or fictitious name and a conspicuously displayed notice, in the place Franchisor designates, that Franchisee operates Franchisee's Franchised Business as an independently owned and operated Franchised Business and that Franchisee independently owns and operates the Franchised Business as a System franchisee. At Franchisor's request, Franchisee must prominently display a "Franchises Available" sign in the form Franchisor prescribes and in the place that Franchisor designates. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

13.2 **Indemnification**. Franchisee and Franchisee's principals agree to indemnify, defend and hold Franchisor, Franchisor's affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees ("Indemnitees") harmless against and to reimburse them for all claims, obligations, liabilities and damages ("Claims"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of Franchisee's Franchised Business, including the use, condition, construction, equipping, decorating, maintenance or day-to-day operations of the Franchised Business, the sale of any service or merchandise sold from the Franchised Business, and Franchisee's advertising; (ii) Franchisee's use of the Proprietary Marks; (iii) the transfer of any interest in this Agreement or Franchisee's Franchised Business in any manner not in accordance with this Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee's principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (v) libel, slander or any other form of defamation of Franchisor, the System or any franchisee operating under the System, by Franchisee or by any of Franchisee's principals. For purposes of this indemnification, "Claims" shall mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right, though not the obligation, to defend any such Claim against it in such manner as Franchisor deems appropriate or desirable in Franchisor's sole discretion. Such an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's and each of Franchisee's principals' obligation to indemnify the Indemnitees and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

14. SALE OR TRANSFER

14.1 **Transfer**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in the Franchised Business without Franchisor's prior written consent, as described more fully in Section 14.3 below. Any sale, transfer, assignment, or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

14.2 **Death or Disability**.

14.2.1 Transfer Upon Death or Disability. Upon Franchisee's or any of its Designated Manager's death or disability, Franchisee's or the Designated Manager's executor, administrator, conservator, guardian, or other personal representative must transfer Franchisee's interest in this Agreement, or the Designated Manager's ownership interest in Franchisee, if any, to a third party (which may be Franchisee's or the Designated Manager's heirs, beneficiaries, or devisees) that Franchisor must approve, in Franchisor's sole discretion. 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 14. If Franchisee is an entity and has more than one (1) principal, upon a principal's death, the remaining living principals may continue operation of the Franchised Business while the transfer is being finalized (but is still subject to the transfer provisions of Section 14). A failure to transfer Franchisee's interest in this Agreement or the Designated Manager's ownership interest in Franchisee within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Designated Manager from supervising the management and operation of the Franchised Business.

14.2.2 Operation Upon Death or Disability. If, upon Franchisee's or the Designated Manager's death or disability, a certified manager is not managing the Franchised Business, Franchisee's or the Designated Manager's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a manager. The manager must complete Franchisor's standard training program at Franchisee's expense. A new Designated Manager acceptable to Franchisor also must be appointed within thirty (30) days. If, in Franchisor's judgment, the Franchised Business is not being managed properly any time after Franchisee's or the Designated Manager's death or disability, Franchisor may, but need not, assume the Franchised Business's management (or appoint a third party to assume its management). Franchisor may charge Franchisee (in addition to the Royalty, Brand Fund Contribution, and other amounts due under this Agreement) a reasonable amount of compensation, plus Franchisor's (or the third party's) direct out-of-pocket costs and expenses, if

Franchisor (or a third party) assumes the Franchised Business's management under this subparagraph. Provided Franchisor is not grossly negligent and does not commit an act of willful misconduct, Franchisor will not be liable to Franchisee or its owners for any debts, losses, or obligations the Franchised Business incurs, or to any of Franchisee's creditors for any products, other assets, or services the Franchised Business purchases, while Franchisor (or a third party) manages it. Franchisor's assumption of the Franchised Business's management will be for no more than ninety (90) day intervals. Franchisor will reevaluate the situation at the end of each such interval in consultation with Franchisee.

14.3 **Ownership Changes**. A sale, transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur if Franchisee is: (i) a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership; (ii) a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) in accordance with Section 14.4 below shall not be subject to Franchisor's right of first refusal described herein in Section 14.3.1.

14.3.1 Right of First Refusal. If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth in Section 14.4 below), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 14.3.2 below. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section 14.3.1. Any material change in the terms of the Letter of Intent shall be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

14.3.2 Conditions for Approval. Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement upon satisfaction of the following occurrences:

14.3.2.1 All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors, are satisfied;

14.3.2.2 Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, within the period permitted for cure, and must have substantially complied with such agreements during their respective terms;

14.3.2.3 Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising;

14.3.2.4 Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

14.3.2.5 The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; provided, however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other infrared or light therapy business or franchise system which is similar in nature or in competition with Franchisor, except that the transferee may be an existing System franchisee;

14.3.2.6 The transferee shall execute Franchisor's then-current form of franchise agreement for the unexpired term of this Agreement;

14.3.2.7 Franchisee or transferee shall pay Franchisor a transfer fee equal to fifteen thousand dollars ($15,000) plus any broker fees, selling expenses and commissions;

14.3.2.8 The transferee shall satisfactorily complete Franchisor's training program at the transferee's sole expense within the time frame required by Franchisor;

14.3.2.9 Franchisee (and Franchisee's principals if Franchisee is a partnership, corporation or limited liability company), and the members of their respective families must comply with the post-termination provisions of this Agreement;

14.3.2.10 The transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits and licenses required for the operation of the Franchised Business;

14.3.2.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.3.2.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.3.2.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and the transferee's performance under its franchise agreement;

14.3.2.14 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of franchise disclosure document;

14.3.2.15 Franchisor's approval of the transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee;

14.3.2.16 Franchisor may disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Franchised Business that Franchisee supplied to Franchisor;

14.3.2.17 In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise; and

14.3.2.18 Franchisee is responsible for payment of all commissions or other monies due from the sale of the Franchised Business if: (i) Franchisee listed the Franchised Business with a broker; or (ii) transferee is referred to Franchisor by a broker lead referral network or otherwise.

14.4 **Transfer to a Corporation or Limited Liability Company**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee set forth in Section 14.3.2.7 hereof, and such assignment will not be subject to Franchisor's right of first refusal set forth in Section 14.3.1 hereof if:

14.4.1 The corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business;

14.4.2 Franchisee is, and at all times remains, the owner of fifty-one percent (51%) of the outstanding shares of the corporation or a controlling interest in the limited liability company;

14.4.3 The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and

14.4.4 All shareholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and such persons execute a confidentiality and noncompetition agreement as set forth in Section 17.2 hereof.

14.5 **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

15. BREACH AND TERMINATION

15.1 **Automatic Termination**. This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

15.1.1 Voluntary Bankruptcy. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

15.1.2 Involuntary Bankruptcy. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Franchised Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

15.1.3 Unauthorized Transfer. If Franchisee purports to sell, transfer or otherwise dispose of Franchisee or any interest in the Franchised Business in violation of Section 14 hereof.

15.2 **With Notice and Without Opportunity to Cure**. Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

15.2.1 Criminal Acts. If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to any felony, or take part in any criminal misconduct relevant to the operation of Franchisee's Franchised Business.

15.2.2 Fraud. If Franchisee or Franchisee's principals commit any fraud or misrepresentation in the operation of Franchisee's Franchised Business.

15.2.3 Misrepresentation. If Franchisee or Franchisee's principals make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

15.2.4 Failure to Complete Training. If Franchisee fails to successfully complete initial training as provided in Section 8.1 hereof.

15.2.5 Repeated Breaches. If Franchisor sends Franchisee two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 hereof in any twelve (12) month period.

15.2.6 Breach of Other Agreements. If Franchisee or Franchisee's principals materially breach any other agreement with Franchisor or any of Franchisor's affiliates or the lease or finance agreement for the Approved Location, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure.

15.2.7 Misuse of the Proprietary Marks or Confidential Information. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information.

15.2.8 Violation of Health Code. If Franchisee violates any health, safety or sanitation law, ordinance or regulation, including those regulating spas, saunas, salons, or operates the Franchised Business in a manner that presents a health or safety hazard to customers, or the general public.

15.2.9 Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 17.1 hereof.

15.2.10 Liens. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within thirty (30) days.

15.2.11 Insolvency. If Franchisee or any of Franchisee's principals become insolvent.

15.2.12 Abandonment. If Franchisee voluntarily or otherwise abandons the Franchised Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the Franchised Business in accordance with the terms of this Agreement and shall apply in any event Franchisee fails to operate the Franchised Business for a period of two (2) or more consecutive days without Franchisor's prior written approval.

15.2.13 Unauthorized Products or Services. If Franchisee offers any unauthorized and unapproved training or other products or services at or from the Franchised Business.

15.2.14 Unapproved Purchases. If Franchisee orders or purchases supplies, signs, services, furnishings, fixtures, equipment or inventory from any currently unapproved supplier.

15.2.15 Proprietary Software. If Franchisee misuses or makes unauthorized use of Franchisor's Proprietary Software Program, if any.

15.2.16 Insurance. If Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fails to adhere to the requirements of Section 9 hereof.

15.2.17 Government Regulations. If Franchisee fails, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Franchised Business.

15.2.18 Government Actions. If any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

15.2.19 Anti-Terrorist Activities. If Franchisee fails to comply with the provisions of Section 22.7 hereof.

15.2.20 Personal Use of Franchised Business Property. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including the Approved Location, employee taxes, FICA, insurance or benefits.

15.2.21 Insufficient Funds. If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor three (3) or more times within any twelve (12) month period.

15.3 **Upon 15 Days' Notice to Cure**. Franchisor has the right to terminate this Agreement if any of the following defaults remain uncured after providing notice and expiration of the fifteen (15) day cure period:

15.3.1 Nonpayment. If Franchisee fails to pay as and when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's designated suppliers.

15.3.2 Under-reporting of Gross Sales. If any audit reveals that Franchisee has understated Franchisee's Royalty or advertising payments, or Franchisee's Local Marketing expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or payments for any two (2) reporting periods within any twelve (12) month period, as described in Section 11 hereof.

15.3.3 Endorsement of Checks. If Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously remitted to Franchisee.

15.3.4 Failure to Open. If Franchisee fails to commence operations of Franchisee's Franchised Business within the time prescribed in Section 7.3 hereof.

15.3.5 Interruption of Service. If Franchisee fails to maintain the prescribed days or hours of operation at the Franchised Business.

15.3.6 Failure to Personally Supervise Operations or Employ Adequately Trained Personnel. If Franchisee fails, in Franchisor's sole discretion, to personally supervise the day-to-day operation of the Franchised Business or fails to employ one or more Designated Manager(s) to supervise the day-to-day operation of the Franchised Business as required under this Agreement.

15.3.8 Quality Control. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

15.3.9 Other Conduct Reflecting Adversely on System. If Franchisee conducts itself in a manner that, although not criminal, reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System.

15.3.10 Licenses and Permits. If Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of Franchisee's Franchised Business.

15.3.11 Failure to Secure Approved Location, Execute Lease. If Franchisee fails to (a) secure an Approved Location, and (b) execute a lease for the Approved Location within ninety (90) days from the date of this Agreement.

15.4 **Upon 30 Days' Notice to Cure**. Franchisor has the right to terminate this Agreement after providing notice and a thirty (30) day cure period if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement or any ancillary agreements between Franchisee and Franchisor or Franchisor's affiliates.

15.5 **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 cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines, in Franchisor's sole discretion, that the default has been cured and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with Franchisor's operation of Franchisee's Franchised Business including, without limitations, costs of personnel for supervising and staffing the Franchised Business and their travel and lodging accommodations. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the Franchised Business.

15.6 **Nonwaiver**. Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

15.7 **Final Charges**. In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by

Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

16. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

16.1 **Franchisee's Obligations**. Upon termination of this Agreement, regardless of the cause, and upon expiration and nonrenewal or transfer of this Agreement, Franchisee must, at Franchisee's cost and expense:

16.1.1 Cease immediately all operations under this Agreement;

16.1.2 Immediately pay Franchisor all unpaid fees and pay Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors all other monies owed;

16.1.3 Immediately discontinue the use of the Proprietary Marks;

16.1.4 Immediately return the Operations Manual to Franchisor, along with all other manuals and Confidential Information Franchisor loaned to Franchisee, and immediately and permanently cease use of any Confidential Information;

16.1.5 Immediately cease using all telephone numbers and listings, facsimile numbers and listings, and Internet listings used in connection with the operation of the Franchised Business and direct the applicable company to transfer all such numbers and listings to Franchisor or Franchisor's designee pursuant to the Conditional Assignment of Telephone Numbers attached hereto as Exhibit B or, if Franchisor directs, to disconnect the numbers and delete the listings;

16.1.6 Promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as Franchisor directs;

16.1.7 Cease to hold itself out as Franchisor's franchisee;

16.1.8 Take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark Franchisor licensed to Franchisee, and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination, expiration or transfer of this Agreement;

16.1.9 Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records at any time within six (6) months of the effective date of termination, expiration, or transfer;

16.1.10 Comply with the post-termination covenants set forth in Section 17 hereof, all of which shall survive the transfer, termination or expiration of this Agreement;

16.1.11 Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with Franchisor or the System;

16.1.12 Transfer all rights and access to any proprietary software program used in connection with the Franchised Business;

16.1.13 Immediately vacate the Franchised Business, and if Franchisor exercised Franchisor's rights pursuant to the Collateral Assignment of Lease attached as Exhibit F, arrange for the transfer of the Lease to Franchisor within fifteen (15) days of termination or expiration of this Agreement; and

16.1.14 Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16.

16.2 **Power of Attorney**. Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Proprietary Marks and the Confidential Information.

16.3 **Option to Purchase Personal Property**.

16.3.1 Upon the termination or expiration of this Agreement, Franchisor or Franchisor's designee shall also have the option, but not the obligation, to purchase any personal property used in connection with operation of Franchisee's Franchised Business by providing Franchisee written notice of Franchisor's election within sixty (60) days after such termination or expiration and paying Franchisee the book value for such personal property within sixty (60) days of such notice. For purposes of this paragraph, "book value" means the amount Franchisee actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a five (5) year depreciation schedule, irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises its right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of 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 property 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 personal property. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

16.3.2 Exclusions. Franchisor may exclude from the personal property purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business's operation or that Franchisor has not approved as meeting standards for the Franchised Business.

17. COVENANTS

Franchisee acknowledges that as a member of Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, Franchisee agrees as follows:

17.1 **During the Term of This Agreement**. During the term of this Agreement, neither Franchisee, Franchisee's officers, directors, principals, or Designated Manager, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, principals, or Designated Manager may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.1.1 Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any sauna studio, salon with a sauna offering, therapeutic light treatment center, weight loss center, a business selling nutritional supplements including or any other business involved in self-care or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to Franchisee's operation of any other Franchised Business; or

17.1.2 Divert or attempt to divert any business or customer or prospect of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

17.2 **After the Term of This Agreement.**

17.2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business that is competing in whole or in part with Franchisor by granting franchises or licenses to operate a Competing Business.

17.2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.2.2.1 Own, maintain, engage in, be employed by, or have any interest in any Competing Business located: (i) within the Designated Territory granted to Franchisee hereunder; or (ii) within a radius of fifteen (15) miles of the perimeter of, (a) the Designated Territory being granted hereunder, or (b) any other territory licensed by Franchisor as of the date of expiration, termination or transfer of this Agreement; or

17.2.2.2 Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

17.3 **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 17 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 17, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee agrees that in the event of the actual or threatened breach of this Section 17, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this

Section 17 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 17 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 17 shall be tolled during any default under this Section.

17.4 **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) which Franchisor incurs in connection with the enforcement of this Section 17.

18. DISPUTE RESOLUTION

18.1 **Choice of Law**. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be governed by the laws of the State of North Carolina (without reference to its conflict of laws principles).

18.2 **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's managing member or president, after providing notice as set forth in Section 18.6 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

18.3 **Arbitration**. If the parties are not able to reach a resolution pursuant to Section 18.2 above, then all controversies, disputes or claims between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Franchisee (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) arising out of or related to:

18.3.1 this Agreement or any other agreement between Franchisee (or its owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including this Section 18.3);

18.3.2 the relationship between Franchisor and Franchisee;

18.3.3 the scope and validity of this Agreement or any other agreement between Franchisee (or its owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including the scope and validity of the arbitration obligations under this Section 18.3, which Franchisee and Franchisor acknowledge is to be determined by an arbitrator and not a court); or

18.3.4 any System standard

will be submitted for arbitration to the office of the American Arbitration Association closest to Franchisor's then current principal business address. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of Franchisor's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Proprietary Mark generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any party under federal law or owed to third parties which are subject to indemnification under Section 13.2, Franchisor and Franchisee waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. Franchisor and Franchisee further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor. Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Franchisor's right to seek the recovery of those costs in accordance with Section 22.8.

Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class wide, basis, that only Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Franchisee (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) may be the parties to any arbitration proceeding described in this Section 18.3, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person or entity. Notwithstanding the foregoing or anything to the contrary in this Section 18.3 or Section 22.3, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 18.3, then Franchisor and Franchisee agrees that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 18 (excluding this Section 18.3).

The provisions of this Section 18.3 are intended to benefit and bind certain third party non signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Notwithstanding anything to the contrary contained in this Section 18.3, Franchisor and Franchisee each have the right to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, Franchisor and Franchisee must contemporaneously submit the dispute for arbitration on the merits according to this Section 18.3.

18.4 **Consent to Jurisdiction**. Subject to the arbitration obligations in Section 18.3, Franchisee and its owners agree that all judicial actions brought by Franchisor against Franchisee or its owners, or by Franchisee or its owners against Franchisor, its affiliates or its or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor maintains its principal business address at the time that the action is brought. Franchisee and each of its owners irrevocably submits to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Franchisee or any of its owners resides or in which Franchisee's Franchised Business is located.

18.5 **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the arbitration provision set forth in this Section 18, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by Franchisee.

18.6 **Prior Notice of Claims**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

18.7 **No Right to Offset**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

18.8 **Injunctive Relief**. Nothing in this Agreement shall prevent Franchisor from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

18.9 **Limitation of Action**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

18.9.1 Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

18.10 **Waiver of Punitive Damages**. Franchisee hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

18.11 THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, OPERATION OF THE FRANCHISED BUSINESS AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY PRODUCTS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

19. REPRESENTATIONS

19.1 **Execution of Agreement**. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS OR HER CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION OR ALL OF THE MEMBERS/MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER INTERESTS IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

20. GUARANTY

If Franchisee is a corporation, or subsequent to execution hereof, Franchisee assigns this Agreement to a corporation, all shareholders of Franchisee's outstanding shares (or if Franchisee is a partnership, or subsequent to execution hereof, Franchisee assigns this Agreement to a partnership, all partners, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Agreement to a limited liability company, all members and managers) hereby personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of Franchisee's monetary obligations under this Agreement, and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions of Franchisee's activities upon transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors must execute a continuing personal guarantee in the form attached hereto as Exhibit A.

If Franchisee is a corporation, each shareholder's spouse must sign the form of Spousal Confidentiality and Non-Compete Agreement attached hereto as Exhibit G. If Franchisee is a partnership, each partner's spouse must sign the form of Spousal Confidentiality and Non-Compete Agreement attached hereto as Exhibit G. If Franchisee is a limited liability company, the spouse of each member and manager must sign the form of Spousal Confidentiality and Non-Compete Agreement attached hereto as Exhibit G. If Franchisee is an individual or multiple individuals, then each spouse must sign the form of Spousal Confidentiality and Non-Compete Agreement attached hereto as Exhibit G.

21. NOTICES

All notices and requests to be given under this Agreement are to be in writing, and delivered by either certified mail, or via a recognized courier service offering a delivery receipt (e.g., UPS or FedEx), to the following addresses (which may be changed by written notice):

Franchisee:	[Full Name] [Street Address] [City], [State], [ZIP]
Franchisor:	GET LIT CONCEPTS, LLC 13620 Reese Blvd. East, Suite 300 Huntersville, NC 28078

22. MISCELLANEOUS

22.1 **Entire Agreement**. This Agreement contains the entire Agreement of the parties. There are no representations, either oral or written, except those contained in this Agreement. This written Agreement includes all representations between the parties. This Agreement may not be modified except by a written document signed by both parties. Nothing in the Agreement is intended to disclaim the representations made in the franchise disclosure document that was furnished to Franchisee.

22.2 **Construction of Language**. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to "immediate family" means spouse, parents, children and siblings and spouse's parents, children and siblings. Reference to Franchisee's "principals" means Franchisee's partners, officers, directors, shareholders, members and managers, as applicable. References to "Franchisor" and "Franchisee" include the party's successors, assigns or transferees.

22.3 **Severability**. If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Franchisor or any of its affiliates, or protection of the Proprietary Marks or the Confidential Information, including the Operations Manual and Franchisor's other trade secrets, is declared invalid or unenforceable, then Franchisor at Franchisor's option may terminate this Agreement immediately upon written notice to Franchisee.

22.4 **State Law Applies**. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Franchisee's Franchised Business is located, then the valid law or regulation of that state applicable to the franchise shall supersede any provision of this Agreement that is less favorable to Franchisee.

22.5 **Additional Documentation**. Franchisee must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor reasonably may require in order to effectuate the transactions contemplated herein. In the event that Franchisee fails to comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to execute all such documents on Franchisee's behalf.

22.6 **Force Majeure**. Neither Franchisee, Franchisor, nor Franchisor's affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as Franchisor deems reasonable.

22.7 **Anti-Terrorist Activities**. Franchisee certifies that neither Franchisee, nor Franchisee's owners, principals, employees nor anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (the "Annex"). Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's owners, principals, employees, or anyone associated with Franchisee being listed in the Annex. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 13.2 of this Agreement pertain to Franchisee's obligations under this Section 22.7. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's owners, principals or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section 15.2.19 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts or acts of war.

22.8 **Attorneys' Fees**. If Franchisee is in breach or default of any monetary or nonmonetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

22.9 **The Exercise of Franchisor's Business Judgment**. Franchisor has the right to operate, develop and change the System and its standards in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and in its judgment of what is in the best interests of Franchisor or its affiliates, the franchise network generally, or the System at the time its decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether its decision promotes Franchisor's or its affiliates' financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed, initiated or completed actions that require its approval.

23. ACKNOWLEDGMENTS

23.1 **No Personal Liability**. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason.

24. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signatures on Next Page)

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR:

GET LIT CONCEPTS, LLC

By: ______________________________________

Title: _____________________________________

FRANCHISEE:

____
(Individual, Partnership or Corporation Name)

By: _______________________________________

Title: _____________________________________

PERSONAL GUARANTORS

____
[Full Name], Individually

____
[Full Name], Individually

EXHIBIT A
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

PERSONAL GUARANTY

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF THE FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE'S SPOUSE MUST EXECUTE THE FOLLOWING UNDERTAKING.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to GET LIT CONCEPTS, LLC ("Franchisor") that you are all of the shareholders of __________________ ("Franchisee"), or all of the partners of Franchisee, or all of the members and managers, or the spouse of any individual Franchisee, or the spouse of any such shareholder, general partner, or member or manager of Franchisee, as the case may be. In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing GET LIT CONCEPTS, LLC franchise agreement (the "Franchise Agreement"), and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that you (jointly and severally) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement. You agree to be bound by the dispute resolution procedures set forth in the Franchise Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this personal guaranty (the "Guaranty"), you will receive information, which Franchisor considers its trade secrets and confidential information. You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any "Confidential Information", as such term is defined in the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Guaranty.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's franchise System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1) **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Guaranty, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any infrared sauna studio, light therapy business, spa, salon, or business utilizing infrared or light therapy, weight loss center, nutritional supplements including, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Franchised Business under the beem® Light Sauna Proprietary Marks and System; or

b) Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2) **After the Term of This Agreement.**

a) For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses to operate a Competing Business at the time the Franchise Agreement is terminated or otherwise expires and is not renewed.

b) For a period of 2 years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal (i) at the Franchised Business; (ii) within the territory (the "Territory"); or (iii) within a radius of 15 miles of the perimeter of (a) the Territory being granted hereunder or (b) any other territory licensed by Franchisor as of the date of expiration or termination of this Agreement;

(ii) Solicit business from customers of Franchisee's former Franchised Business;

(iii) Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

(iv) Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

3) **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that you have previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under the Franchise Agreement and this Guaranty.

ARTICLE IV
MISCELLANEOUS

1) **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2) **Governing Law.** Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Guaranty shall be governed by the laws of the State of North Carolina (without reference to its conflict of laws principles).

3) **Internal Dispute Resolution.** You must first bring any claim or dispute between you and Franchisor to Franchisor's managing member or president, after providing notice as set forth in Section 18.6 of the Franchise Agreement. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Guaranty.

4) **Arbitration.** If the parties are not able to reach a resolution pursuant to Section 3 above, then all controversies, disputes or claims between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and you arising out of or related to this Guaranty will be submitted for arbitration to the office of the American Arbitration Association closest to Franchisor's then current principal business address. Except as otherwise provided in this Guaranty, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of Franchisor's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Proprietary Mark generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any party under federal law or owed to third parties which are subject to indemnification under the Agreement, you waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

You agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under the Agreement or applicable law, whichever expires first. You further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Franchisor.

You agree that arbitration shall be conducted on an individual, not a class wide, basis, that only Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and you may be the parties to any arbitration proceeding and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person or entity. Notwithstanding the foregoing or anything to the contrary in Guaranty, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Guaranty, then you agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding.

5) **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Guaranty, and the arbitration provisions contained herein, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by you.

6) **Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any arbitration or judicial proceeding conducted hereunder.

7) **Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration, the parties expressly agree submit to the jurisdiction and venue of any court of general jurisdiction in Huntersville, North Carolina, and the jurisdiction and venue of the United States District Court for the Western District of North Carolina.

8) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

9) **Waiver of Punitive Damages.** You waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such

cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

10) **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

11) **Attorneys' Fees**. If either you or Franchisor institutes any arbitration action or judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Guaranty and the Franchise Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

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

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

14) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

15) **Successors**. References to "Franchisor", "the undersigned," or "you" include the respective parties' successors, assigns or transferees.

16) **No Personal Liability**. You agree that fulfillment of any and all of Franchisor's obligations written in this Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

PERSONAL GUARANTORS	**SPOUSES**
______________________________	______________________________
[Full Name], Individually	[Full Name], Individually
______________________________	______________________________
[Full Name], Individually	[Full Name], Individually

EXHIBIT B
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

SITE SELECTION ADDENDUM

SITE SELECTION ADDENDUM

GET LIT CONCEPTS, LLC, a North Carolina limited liability company with a principal business address at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 (“Franchisor”) and ______________________________ (“Franchisee”), have on __________________, entered into the foregoing Franchise Agreement for the operation of a franchised business using Franchisor’s Proprietary Marks and System (the “Franchised Business”) and desire to supplement its terms, as set forth below. The parties therefore agree as follows:

1. Within ninety (90) days after the parties execute the Franchise Agreement, Franchisee must obtain a site, at Franchisee’s expense, for the Franchised Business, which Franchisor will approve as hereinafter provided. The site must be within the following non-exclusive site selection territory: ____.

2. Franchisee’s failure to obtain a site for the Franchised Business within the time required in Paragraph 1 will constitute a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. Prior to Franchisee’s acquisition by lease or purchase of a site for the Franchised Business, Franchisee must submit to Franchisor, in the form Franchisor specifies, a completed site review form, such other information or materials as Franchisor may reasonably require, and a letter of intent or other evidence satisfactory to Franchisor that confirms Franchisee’s favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee must submit a proposed site, together with the information and materials required by this Paragraph 3, to Franchisor for Franchisor’s approval within ninety (90) days after execution of this Site Selection Addendum. Franchisor will have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove, in Franchisor’s sole discretion, the site as a location for the Franchised Business. No proposed site will be deemed approved unless Franchisor has expressly approved it in writing.

4. Franchisor will furnish to Franchisee such site selection guidelines, consultation and on-site evaluation as Franchisor deems advisable as part of Franchisor’s evaluation of Franchisee’s request for site approval. Franchisor will not, however, provide on-site evaluation for any proposed site prior to Franchisor’s receipt of the information and materials required by Paragraph 3 hereof. If Franchisor deems on-site evaluation necessary and appropriate, Franchisor will conduct up to one (1) on-site evaluation at Franchisor’s cost. For each additional on-site evaluation (if any), Franchisee will reimburse Franchisor for Franchisor’s reasonable expenses including, without limitation, the costs of travel, lodging, and meals. If Franchisor designates an agent for site selection assistance, Franchisor reserves the right to require Franchisee to use Franchisor’s designated agent, or another real estate agent that Franchisor approves in writing, for site selection assistance.

5. If Franchisee will be occupying the Approved Location under a lease, Franchisee shall, upon Franchisor’s request, prior to the execution of the lease, submit the lease to Franchisor for Franchisor’s approval. Franchisor’s approval of the lease may be conditioned upon Franchisee’s execution of a Collateral Assignment of Lease in the form Franchisor prescribes, as well as the inclusion or exclusion of certain required provisions. Franchisee must furnish Franchisor with a copy of any executed lease within ten (10) days after execution thereof.

6. After Franchisor has approved a site for the Franchised Business in writing and Franchisee has acquired the site, the site will constitute the Approved Location referred to in Section 1.2 of the Franchise Agreement.

7. Franchisee hereby acknowledges and agrees that Franchisor's approval 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 approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for Franchisor's purposes as of the time of the evaluation. Both parties to this Agreement acknowledge the application of criteria that 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 approval 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. Such factors are unpredictable and are beyond Franchisor's control. Franchisor will not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that Franchisee's acceptance of a franchise for the operation of the Franchised Business at the site is based on Franchisee's own independent investigation of the suitability of the site.

8. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and terms of this Site Selection Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

REMAINDER OF PAGE IS LEFT INTENTIONALLY BLANK
SIGNATURES APPEAR ON FOLLOWING PAGE

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

FRANCHISEE

____
(Individual, Partnership or Corporation Name)

By: _____________________________________
Name: ___________________________________

Title: ___________________________________

FRANCHISOR

GET LIT CONCEPTS, LLC

By: _____________________________________
Name: ____________________________________
Title: _____________________________________

EXHIBIT C
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS, FACSIMILE NUMBERS AND DOMAIN NAMES

CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS, FACSIMILE NUMBERS AND DOMAIN NAMES

1. ______________________________ ("Assignor"), in exchange for valuable consideration provided by GET LIT CONCEPTS, LLC ("Assignee"), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its Franchised Business (the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): ____

Facsimile Number(s): ____

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): ____.

2. The conditional agreement will become effective automatically upon termination or expiration of Assignor's franchise agreement. Upon the occurrence of that condition, Assignor must do all things required by the telephone company, domain name registrar, or other applicable entity to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company, domain name registrar, and/or other applicable entity, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay to effectuate this Assignment, and agrees to fully cooperate with the telephone company, domain name registrar, and/or any other applicable entity, as well as the Assignee, in effectuating this assignment.

ASSIGNOR:

BY: ____________________________________ Date: ___________

TITLE:_________________________________

ASSIGNEE:

GET LIT CONCEPTS, LLC

BY: ____________________________________ Date: ___________

TITLE:_________________________________

EXHIBIT D
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for trained employees, shareholders, officers, directors, general partners, members and managers and Designated Manager of Franchisee)

In consideration of my being a ______________________ of ______________________________ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right from GET LIT CONCEPTS, LLC (the "Company") to establish and operate a franchised business (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Franchised Businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion.

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes but is not limited to methods or information about proprietary services or products; any proprietary software Franchisor may now or in the future create; Franchisor's operational manual; trade secrets; price marketing mixes related to the sale services offered or authorized for sale by System franchisees; standards and specifications for equipment; systems and training manuals; instructor training systems; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition systems; ongoing instructor training; general operations; Franchisor's copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation of a Franchised Business (collectively, the "Confidential Information").

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

3. The Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the GET LIT CONCEPTS, LLC Operations Manual (the "Manual") and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties with the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other Competing Business, as that term is defined in Section 17.1.1

of the GET LIT CONCEPTS, LLC Franchise Agreement, except a Franchised Business operating under the System and Proprietary Marks.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement shall be construed under the laws of North Carolina. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

ACKNOWLEDGED BY FRANCHISEE

By: ___________________________________
Title: ___________________________________
Date: ___________________________________

EXHIBIT E
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

Bank Name	:	____________________________
ABA#	:	____________________________
Acct. No.	:	____________________________
Acct. Name	:	____________________________

Effective as of the date of the signature below, _____________ ("Franchisee") hereby authorizes GET LIT CONCEPTS, LLC ("Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company under the Franchise Agreement for the franchise located at ____: (1) all Royalty Fees; (2) all contributions to the Brand Fund; and (3) any fees that the Company may impose under the terms of Franchisee's Franchise Agreement from time to time. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization shall remain in full force and effect until terminated in writing by Company. Franchisee shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

ATTEST:

____

FRANCHISEE

By:_____________________________________

Print name:______________________________

Its:_____________________________________

EXHIBIT F
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

COLLATERAL ASSIGNMENT OF LEASE

Landlord: ___________________________

Notice Address:_____________________
____
____

Telephone: _________________________

Tenant: _____________________________

Franchisor: GET LIT CONCEPTS, LLC
Notice Address: 13620 Reese Blvd. East, Suite 300
Huntersville, NC 28078

Leased Premises: ____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a beem® Light Sauna business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Collateral Assignment, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

____

By: ___________________________

Name: _________________________

Title: __________________________

Date: __________________________

TENANT:

____

By: ____________________________

Name: __________________________

Title: ___________________________

Date: ___________________________

FRANCHISOR:

GET LIT CONCEPTS, LLC

By: ____________________________

Name: __________________________

Title: ___________________________

Date: ___________________________

EXHIBIT G
to
GET LIT CONCEPTS, LLC
FRANCHISE AGREEMENT

SPOUSAL CONFIDENTIALITY AND NON-COMPETE AGREEMENT

SPOUSAL CONFIDENTIALITY AND NON-COMPETE AGREEMENT

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF THE FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE'S SPOUSE MUST EXECUTE THE FOLLOWING UNDERTAKING.

The undersigned persons (individually and collectively "you") hereby represent to GET LIT CONCEPTS, LLC ("Franchisor") that you are all the spouse of any individual Franchisee, or the spouse of any such shareholder, general partner, or member or manager of Franchisee, as the case may be, of _______________________ ("Franchisee"). In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by certain terms, provisions and conditions of the foregoing GET LIT CONCEPTS, LLC franchise agreement (the "Franchise Agreement"). You agree to be bound by the dispute resolution procedures set forth in the Franchise Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

ARTICLE I
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Spousal Confidentiality and Non-Competition Agreement (the "Agreement"), you will receive information, which Franchisor considers its trade secrets and confidential information. You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any "Confidential Information", as such term is defined in the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Agreement.

ARTICLE II
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's franchise System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1) **During the Term of the Franchise Agreement and this Agreement.** During the term of the Franchise Agreement and this Agreement, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any infrared sauna studio, light therapy business, spa, salon, or business utilizing infrared or light therapy, weight loss center, nutritional supplements including, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to your operation of any other Franchised Business under the beem® Light Sauna Proprietary Marks and System; or

b) Divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2) **After the Term of This Agreement.**

a) For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses to operate a Competing Business at the time the Franchise Agreement is terminated or otherwise expires and is not renewed.

b) For a period of 2 years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, neither you nor any members of your immediate family may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal (i) at the Franchised Business; (ii) within the territory (the "Territory"); or (iii) within a radius of 15 miles of the perimeter of (a) the Territory being granted hereunder or (b) any other territory licensed by Franchisor as of the date of expiration or termination of this Agreement;

(ii) Solicit business from customers of Franchisee's former Franchised Business;

(iii) Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

(iv) Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

3) **Intent and Enforcement**. It is the parties' intent that the provisions of this Article II be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article II by you, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article II, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that you have previously worked or been gainfully employed in other careers and that the provisions of this Article II in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article II shall be tolled during any default under the Franchise Agreement and this Agreement.

ARTICLE III
MISCELLANEOUS

1) **Acknowledgment**. You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2) **Governing Law.** Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be governed by the laws of the State of North Carolina (without reference to its conflict of laws principles).

3) **Internal Dispute Resolution.** You must first bring any claim or dispute between you and Franchisor to Franchisor's managing member or president, after providing notice as set forth in Section 18.6 of the Franchise Agreement. You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

4) **Arbitration. Arbitration.** If the parties are not able to reach a resolution pursuant to Section 3 above, then all controversies, disputes or claims between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and you arising out of or related to this Agreement will be submitted for arbitration to the office of the American Arbitration Association closest to Franchisor's then current principal business address. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of Franchisor's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Proprietary Mark generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any party under federal law or owed to third parties which are subject to indemnification under the Franchise Agreement, you waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

You agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under the Franchise Agreement or applicable law, whichever expires first. You further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Franchisor.

You agree that arbitration shall be conducted on an individual, not a class wide, basis, that only Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and you may be the parties to any arbitration proceeding and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person or entity. Notwithstanding the foregoing or anything to the contrary in Agreement, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Agreement, then you agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding.

5) **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Agreement, and the arbitration provisions contained herein, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by you.

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

7) **Jurisdiction and Venue.** With respect to any proceeding not subject to arbitration, the parties expressly agree submit to the jurisdiction and venue of any court of general jurisdiction in Huntersville, North Carolina, and the jurisdiction and venue of the United States District Court for the Western District of North Carolina.

8) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

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

10) **Limitation on Action.** You agree that no cause of action arising out of or under this Agreement or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or OCCURRENCE upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

11) **Attorneys' Fees**. If either party institutes any arbitration action or judicial proceeding to enforce any monetary or nonmonetary OBLIGATION or interpret the terms of this Agreement and the Franchise Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

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

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

14) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

15) **Successors**. References to "Franchisor", "the undersigned," or "you" include the respective parties' successors, assigns or transferees.

16) **No Personal Liability**. You agree that fulfillment of any and all of Franchisor's obligations written in this Agreement or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

SPOUSES

____
[Full Name], Individually

____
[Full Name], Individually

EXHIBIT E
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into on ______________________ (the "Effective Date"), by and between: (i) Get Lit Concepts, LLC, a North Carolina limited liability company, with its principal business address at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 ("Franchisor"); and (ii) ______________________, a/an __________________________, with an address at ____("Developer").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development and operation of a membership-based state-of-the-art infrared sauna studio offering private use infrared sauna suites, red light therapy rooms, and complimentary services and/or products (collectively, the "Approved Services"), utilizing the System and the Proprietary Marks (as hereinafter defined). All capitalized terms used but not defined in this Agreement have the meanings given to them in the Franchise Agreement signed simultaneously with this Agreement.

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodologies and procedures for the establishment and operating procedures of the Franchised Business; proprietary methodologies for certain of the Approved Services; standards and specifications for the purchase of certain materials and components necessary for providing the Approved Services; standards and specifications for the design, layout and construction of the interior and exterior of the premises used in the operation of the Franchised Businesses; standards and specifications associated with the certain proprietary artwork, décor and trade dress of the Franchised Business; specific suppliers and providers of proprietary equipment in connection with Franchised Businesses, if and as applicable; standards and specifications for the furniture, fixtures and/or equipment used in connection with the Franchised Business; established relationships with approved or designated suppliers for certain inventory and other supplies necessary to provide the Approved Services; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Franchised Businesses are currently identified by the mark beem®, as well as certain other trade names, trademarks, service marks and trade dress that Franchisor designates for use in connection with each Franchised Business (collectively, the "Proprietary Marks"), all of which Franchisor may modify, update, supplement or substitute in the future as Franchisor deems appropriate. The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor grants qualified third parties the right to develop multiple Franchised Businesses within a defined non-exclusive geographical area (the "Development Area") in accordance with a development schedule to which Developer must strictly adhere (the "Development Schedule"), with each Franchised Business within the Development Area being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current franchise agreement (each, a "Franchise Agreement").

E. Developer recognizes the benefits from receiving the right to operate a Franchised Business and desires to: (i) become a multi-unit Franchised Business operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to develop multiple Franchised Businesses within the Development Area as set forth in this Agreement, and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Franchised Businesses and our System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Development Area. Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish ______ Franchised Businesses within the non-exclusive Development Area defined in Exhibit "A" hereto, provided Developer (i) executes the applicable, then-current Franchise Agreement, and (ii) opens and commences operations of such Franchised Businesses in strict accordance with the mandatory Development Schedule also set forth in Exhibit "A" and otherwise subject to the terms and conditions set forth herein.

2. Development Fee. Developer shall pay Franchisor a Development Fee equal to $________ (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement, which is: (i) deemed fully earned upon payment and is not refundable under any circumstances; and (ii) payable upon execution of this Agreement. Developer will not be required to pay any additional initial franchise fee for each Franchised Business opened pursuant to this Agreement upon executing a Franchise Agreement for that Franchised Business.

3. Initial Franchise Agreement. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the first Franchised Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. Additional Franchise Agreements. Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. Development Obligations.

5.1 *Generally*. Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the required number of new Franchised Businesses during each development period set forth in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating by the last day of each Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that

Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

5.2 *Extension Deadline Fee.* If Developer fails to develop a Franchised Business in accordance with the Development Schedule, then Developer may apply for a 120-day extension to the opening deadline by submitting a written extension request detailing the efforts Developer took to meet the Development Schedule and the reason for the delayed opening. If Franchisor grants the 120-day extension, Developer will be required to pay the then-current extension deadline fee, which is $1,500 per Franchised Business (the "Extension Deadline Fee").

6. Term and Termination.

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will end on the earlier of (a) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule, or (b) the day the final Franchised Business is open. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any Franchised Businesses that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (under the respective Franchise Agreement(s) that Developer entered into for such Franchised Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an intent by Developer to discontinue development of the Franchised Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, including any (a) failure to execute a Franchise Agreement by the applicable date, (b) failure to develop a Franchised Business by the applicable date, or (c) failure to pay any portion of the Development Fee and fails to cure such default within 30 days of receiving notice thereof; or (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

6.3 In the event this Agreement is terminated prior to its natural expiration, then the geographic scope of the non-compete set forth in Section 17.2 of the initial Franchise Agreement shall be revised to also include the (a) Development Area, and (b) a 20-mile radius around that Development Area.

7. No Exclusivity in Development Area; Reservation of Rights. Developer acknowledges that the rights granted to it under this Agreement are nonexclusive, Developer has no territorial protection whatsoever in the Development Area, and Franchisor (and its affiliates) retain the right at all times during this Agreement's term to engage in any and all activities Franchisor (and its affiliates) deem appropriate, wherever and whenever Franchisor (and its affiliates) desire, subject only to the terms of the currently-effective Franchise Agreements.

8. Sale or Assignment. Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. Acknowledgment. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

10. Notices. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. Choice of Law. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be governed by the laws of the State of North Carolina (without reference to its conflict of laws principles).

12. Internal Dispute Resolution. Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. Arbitration. If the parties are not able to reach a resolution pursuant to Section 12 above, then all controversies, disputes or claims between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Developer (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) arising out of or related to:

13.1 this Agreement or any other agreement between Developer (or its owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including this Section 13);

13.2 the relationship between Franchisor and Developer; or

13.3 the scope and validity of this Agreement or any other agreement between Developer (or its owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including the scope and validity of the arbitration obligations under this Section 13, which Developer and Franchisor acknowledge is to be determined by an arbitrator and not a court)

will be submitted for arbitration to the office of the American Arbitration Association closest to Franchisor's then current principal business address. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of Franchisor's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Proprietary Mark generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any party under federal law, Franchisor and Developer waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under applicable law. Franchisor and Developer further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Developer or Franchisor. Franchisor reserves the right, but has no obligation, to advance Developer's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Franchisor's right to seek the recovery of those costs in accordance with Section 19.

Franchisor and Developer agree that arbitration shall be conducted on an individual, not a class wide, basis, that only Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Developer (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) may be the parties to any arbitration proceeding described in this Section 13, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person or entity. Notwithstanding the foregoing or anything to the contrary in this Section 13 or Section 21, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 13, then Franchisor and Developer agrees that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 15.

The provisions of this Section 13 are intended to benefit and bind certain third party non signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

14. **Injunctive Relief**. Notwithstanding anything to the contrary contained in this Section 13, Franchisor and Developer each have the right to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, Franchisor and Developer must contemporaneously submit the dispute for arbitration on the merits according to this Section 13.

15. **Consent to Jurisdiction**. **Consent to Jurisdiction**. Subject to the obligations in Sections 13 and 14 above, Developer and its owners agree that all judicial actions brought by Franchisor against Developer or its owners, or by Developer or its owners against Franchisor, its affiliates or its or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor maintains its principal business address at the time that the action is brought. Developer and each of its owners irrevocably submits to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Developer or any of its owners resides or in which Developer's (or its affiliates') Franchised Businesses are located.

16. Third-Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.

17. Jury Trial Waiver. With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.

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

19. Attorneys' Fees. If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

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

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

22. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

23. Successors. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

24. Additional Documentation. You must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

25. No Right to Offset. Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

26. Entire Agreement. This Agreement contains the entire agreement between the parties concerning Developers' development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

27. No Waiver or Disclaimer of Reliance in Certain States. The following provision applies only to Developers that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgment signed or agreed to by Developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with development rights.

[signatures on following page]

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR:

GET LIT CONCEPTS, LLC

By: ________________________________

Print Name: __________________________

Title: _______________________________

Date: _______________________________

DEVELOPER:

IF AN INDIVIDUAL:

By: ________________________________

Print Name: __________________________

Title: _______________________________

Date: _______________________________

Spouse Signature: _____________________

Spouse Name: ________________________

Date: ________________________________

IF A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

____

By: ________________________________

Print Name: __________________________

Title: _______________________________

Date: _______________________________

EXHIBIT A to DEVELOPMENT AGREEMENT

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

____
____
____.

2. **Development Schedule.** The Development Schedule referred to in Section 1 of the Development Agreement is as follows:

Development Period	**Expiration Date**	**Number of New Franchised Businesses Developer Must Open in Development Area**	**Cumulative Number of Franchised Businesses Developer Must Have Open Within Development Area**
First			
Second			
Third			
Fourth			
Fifth			
Sixth			
Seventh			
Eighth			
Ninth			
Tenth			

[signatures on following page]

APPROVED BY:

FRANCHISOR:	**DEVELOPER:**
GET LIT CONCEPTS, LLC	**[INSERT NAME]**
By: ________________________________	By: ________________________________
Print Name: __________________________	Print Name: __________________________
Title: _______________________________	Title: _______________________________
Date: _______________________________	Date: _______________________________

EXHIBIT F
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS RELEASE

RELEASE SIGNED UPON RENEWAL OR TRANSFER

RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS RELEASE

This Termination of Franchise Agreement and Release (the "Agreement") is made this _______day of _______, 20__, by and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company, with its principal business address at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078 ("Franchisor") and ______________, a ________________ with an address at ___________________("Transferor").

Get Lit Concepts, LLC ("**we**," "**us**," or "**our**") and the undersigned franchisee, ____ ("**you**" or "**your**"), currently are parties to a certain Franchise Agreement (the "**Franchise Agreement**") dated ______________________________. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation] ________________
____
____
____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "**Releasing Parties**"), hereby forever release and discharge us and our current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "**Franchisor Parties**") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "**Claims**") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

You and your owners, for yourselves and each of the Releasing Parties, hereby waive and relinquish every right or benefit which he, she, or it has under any state or federal law limiting the effectiveness of releases, to the fullest extent that he, she, or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims, you and your owners, for yourselves and each of the Releasing Parties, acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties' intention, fully, finally and forever to settle and release all such Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given hereunder shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

FRANCHISOR:

Get Lit Concepts, LLC a North Carolina limited liability company

By:________________________________
Name: ____________________
Title: _____________________

Date: _____________________________

FRANCHISEE:

(IF ENTITY)

____
[Name]

By:________________________________
Name:___________________________
Title:____________________________

Date: _____________________________

(IF INDIVIDUALS)

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

Date: _____________________________

EXHIBIT G
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF FRANCHISEES AS OF DECEMBER 31, 2023:

Entity Name	Name(s)	Address	City	State	Phone Number
Beem Studio, LLC	Kelley Bishop Brian Nave	1320 Baxter St	Athens	GA	(706) 308-8339
Ellle Holdings, LLC	Latrice Smith Emmett Smith	475 Bill Kennedy Wy SE A	Atlanta	GA	(678) 675-7245 (404) 791-8676
Alora Enterprises, LLC*	Steve Halloran	4576 Columbus St	Virginia Beach	VA	(757) 734-1664

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENTS, BUT STUDIO NOT OPEN AS OF DECEMBER 31, 2023:

Entity Name	Name(s)	Address	City	State	Phone Number
N/A*	Jason Halperin Wendy Halperin	4914 Bluegrass Parkway	Tuscaloosa	AL	(404) 932-5690
JESS NURTURE, LLC	Indika Kannangara	1091 Hunters Pointe	Bentonville	AR	(479) 270-7721
Ride the Light 2, LLC*	Angelo Esposito	8255 East Thomas Rd	Scottsdale	AZ**	(602) 908-9543
N/A*	Rick Isaac	1880 Office Club Pt Suite 221	Colorado Springs	CO	(719) 502-0308
K&A Ventures, LLC*	Andrew Schlack Kevin Schlack	7645 E Quincy Ave Apt 306	Denver	CO	(417) 848-9348
NRKC Holdings, LLC*	Nick Riccardo Kyle Civittolo	43 Welles St	Glastonbury	CT	(860) 706-8022
beem West Hartford, LLC	Nick Riccardo Kyle Civittolo	42 Morgan Dr	Glastonbury	CT	(860) 748-9272 (860) 918-5608
ANGEL LIGHT WELLNESS, LLC	Raven Coates	700 Pennsylvania Ave SE Suite 200	Washington	DC	(412) 708-8962
N/A*	Aquil Stinson Kaili Stinson	6120 North Dakota Ave NW	Washington	DC***	(917) 304-9072
EXODUS3 INCORPORATED	Nathan Thomas	5430 Military Trail Suite #74	Jupiter	FL	(561) 797-8144
ANS Zen Journey, LLC*	Niki Kadakia Somil Kadakia	19006 Ave Bayonnes	Lutz	FL	(917) 593-8253
N/A*	Kerstin Thomson Christian Thomson	1927 Lake Sue Dr	Orlando	FL	(407) 408-5770
N/A	Bill Stark Beth Stark	1801 8th E	Palmetto	FL	(602) 793-3915

Entity Name	Name(s)	Address	City	State	Phone Number
RRCK Management, LLC	Ryan Roberts Clara Kim	5966 Hermitage Dr	Pensacola	FL	(336) 686-8475
N/A*	Sautrice Kelly	7027 W Broward Blvd #154	Plantation	FL	(954) 347-7671
MACON BEEM, LLC*	Ryan Terrell Raymond Kimsey	4951 Mumford Rd	Macon	GA	(478) 808-0310
WR Beem, LLC*	Ryan Terrell Raymond Kimsey	4951 Mumford Rd	Macon	GA	
N/A*	Rhonda Cusack Bill Cusack	24217 Bay to Bay Blvd	Manhattan	IL	(708) 288-6998
Healthy Lights LS, LLC*	Brian Greenwald Chris Henry	9615 Sagamore Rd	Leawood	KS****	(816) 896-4648
Illuminate KC, LLC*	TJ Hackler Chris Martin	13920 Mastin St	Overland Park	KS	(913) 957-9186
Eleven Light and Health Ventures, LLC*	Jason Gray Julie Gray	11 Virginia Rd	Andover	MA	(978) 590-6491
TJM 1, LLC	Todd Miller Jennifer Miller	3821 Windsor Ridge Dr	Rockford	MI	(419) 348-7314 (419) 348-7313
Illuminate Wellness, LLC	Aaron Stromley Breanne Stromley	4451 Millstone Circle	Chaska	MN	(952) 843-8476 (612) 819-7911
Light & Living, LLC*	Brian Fagan Mary Fagan	9833 Bennett Pl	Eden Prairie	MN	(412) 266-4402
A Team Enterprises, LLC*	Josh Mitchell Haley Mitchell	9791 Providence Rd	Woodbury	MN	(352) 514-5655
Soullight, LLC*	Jackie Paynter Matt Paynter	6725 Cristina Ct	Charlotte	NC	(704) 807-4261 (704) 293-9331
Integrative Light Therapy, LLC*	Seyller Robertson	2539 Double Oaks Rd	Charlotte	NC*****	(704) 575-2792
Sweat Equity Enterprises, LLC	Jerry Hall	1230 Brockton Ln	Charlotte	NC	(704) 904-9042
House Hall Ventures LLC	Jerry Hall	1230 Brockton Ln	Charlotte	NC	(704) 904-9042
N/A	Tamara Dreyer	215 Twain Ave	Davidson	NC	(919) 649-1226
Parks and Three, LLC	Cassie Parks Adrian Parks	12508 Franklin Park Ln	Huntersville	NC	(704) 560-8961 (704) 490-2761
Lotus Bloom, LLC	Kiesha Harding	11324 Savannah Grove Dr	Huntersville	NC	(202) 427-8682
DTB Ventures, LLC*	Tammy Bailey	1891 S HWS Cleveland Blvd	Omaha	NE	(402) 690-1196
N/A*	Kara Shovlin Ron Shovlin	1 Tudor Oval	Westfield	NJ	(908) 456-3328

Entity Name	Name(s)	Address	City	State	Phone Number
BEEM ME UP, LLC*	Joan Wildermuth Charles Bidwell	627 Vanderbilt St	Brooklyn	NY	(646) 621-4934
Greaves and Grove, Inc*	Leigh-Ann Nowicki Michael Nowicki	51 Hillcrest Ln	Saratoga Springs	NY	(732) 618-0138
Novus Holdings Group, LLC*	Paul Elisii	1006 Bodine Rd	Chester Springs	PA	(610) 864-0211
N/A	Bayo Ayoade	301 Quigley Dr	Malvern	PA	(302) 545-4883
West David CHS1, LLC	Tim West Justin Davis	1985 Riviera Dr Suite 103	Mount Pleasant	SC	(404) 579-4181
N/A*	Sean McLaughlin	4935 Grove Park Dr NE	Cleveland	TN	(423) 331-1752
Jay Ravi Randal A&J, LLC*	Ankit Patel	155 Ashington Circle	Hendersonville	TN	(615) 300-1509
N/A*	Stephanie Walton Jay Walton	5329 Forest Acres Dr	Nashville	TN	(615) 479-4648
N/A*	Bisi Osho	1423 Dearborn Rd	Allen	TX	(773) 517-5832
N/A*	Will Pittman	1209 1/2 Willow St Apt A	Austin	TX	(512) 221-3175
Elmo Lights Inc.	Lori Green Shellee Carter Cynthia Cowen	4991 Lusk Ln	Flower Mound	TX	(972) 839-2308 (214) 417-5962 (214) 538-2106
BLS TROPHY CLUB, LLC*	Chris Campbell	5234 Nokoni Ln	Fort Worth	TX	(325) 669-0511
Beautiful Smart & Brave, LLC*	Joe Tran Anna Tran	10510 Alviso Rd	Frisco	TX	(408) 625-9959
BEEM516, INC*	Shannah Evans Kenneth Evans	17431 Lassen Forest Ln	Humble	TX	(713) 446-7500
M & CC Brands, LLC*	Michael Crouse Colette Crouse	2639 Round Table Blvd	Lewisville	TX	(214) 763-6650
MainSpin Enterprises, LLC*	Al Spinello Esther Mainville	201 Valley Mills Ln	Prosper	TX	(303) 704-7780 (303) 704-7762
N/A	Sherre McNeal	1217 Livorno Dr	Rockwall	TX	(903) 292-9687
Sanitas Holdings, LLC	David Ricci Madeline Ricci	1 Piedra Ct	Westlake	TX	(214) 783-9045 (214) 636-6331
N/A*	John & Paula Gonzales	1641 Red Tree Ct	Draper	UT	(801) 718-1626
N/A	Amber Smithson Jared Smithson	1043 W 900 S	Mapleton	UT	(801) 356-3181 (801) 830-3182

Entity Name	Name(s)	Address	City	State	Phone Number
N/A	Reed Coombs Julie Coombs	671 S Cactus Rose Dr, PO Box 621	Stockton	UT	(801) 674-7537
N/A*	Mike Alexander Marianne Alexander	509 Bosworth Ln	Neenah	WI	(336) 601-9752

*This franchisee has the right to develop multiple studios pursuant to a development agreement
**2 franchise agreements signed.
***3 franchised agreement signed for locations in Virginia.
****Franchisee will open a location in Missouri.
*****Franchisee will open 2 locations in South Carolina.

EXHIBIT H
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

None.

EXHIBIT I
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

ADDITIONAL DISCLOSURES FOR THE MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF GET LIT CONCEPTS, LLC

The following are additional disclosures for the Multistate Franchise Agreement of Get Lit Concepts, LLC required by various state franchise laws. Each provision of these additional disclosures shall not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NO WAIVER OF DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

CALIFORNIA'S FRANCHISE INVESTMENT LAW (CORPORATIONS CODE SECTION 31512 AND 31512.1) STATES THAT ANY PROVISION OF A FRANCHISE AGREEMENT OR RELATED DOCUMENT REQUIRING THE FRANCHISEE TO WAIVE SPECIFIC PROVISIONS OF THE LAW IS CONTRARY TO PUBLIC POLICY AND IS VOID AND UNENFORCEABLE. THE LAW PROHIBITS A FRANCHISOR FROM DISCLAIMING OR DENYING (i) REPRESENTATIONS IT, ITS EMPLOYEES, OR ITS AGENTS MAKE TO YOU, (i) YOUR ABILITY TO RELY ON ANY REPRESENTATIONS IT MAKES TO YOU, OR (iii) ANY VIOLATIONS OF THE LAW.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL,

RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON, AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following is added to the end of Item 1 of the Disclosure document, under the "Industry Specific Regulations" heading:

Despite the foregoing, no medical professional is required to operate the Franchised Business in the State of California.

2. The following paragraph is added to the end of Item 3 of the disclosure document:

Neither we nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

3. The following paragraph is added to the end of Item 6 of the disclosure document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the disclosure document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding litigation. The litigation will occur in Huntersville, North Carolina, with the costs being borne equally by us and you. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

5. The following paragraph is added at the end of Item 19 of the disclosure document:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

6. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

The following are revisions to Item 17 of the disclosure document:

The Illinois Franchise Disclosure Act applies. The conditions under which the franchise can be terminated and the rights upon non-renewal may be affected and are governed by Illinois Franchise Disclosure Act, 815 ILCS 705/19, 20 (West 2016).

Illinois law governs the franchise agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois, is void.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise disclosure document.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of this disclosure document.

Item 6

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

Item 13

Get Lit Concepts, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this disclosure document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibits Get Lit Concepts, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of Get Lit Concepts, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK

1. The following information is added to the cover page of the disclosure document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005-1495. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH

ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order
relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

> The Initial Franchise Fee is to be used for the purpose of sales development, training, and marketing costs as set forth in Item 7.

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

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by you":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by us":

> However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

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

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

RHODE ISLAND

1. The "Summary" section of Item 17(v), entitled Choice of Forum, is deleted in its entirety and the following is substituted in its place:

Litigation is in Mecklenburg County, North Carolina, except that, subject to your arbitration obligation, and to the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. The "Summary" section of Item 17(w), entitled Choice of law, is deleted in its entirety and the following is substituted in its place:

North Carolina law generally applies, except for Federal Arbitration Act, other federal law, and claims arising under the Rhode Island Franchise Investment Act.

VIRGINIA

The following statements are added to Item 17(h):

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____________________, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the beem Studio will be located or operated in Illinois and/or (b) you are a resident of Illinois.

2. **Choice of Law**. Section 18.1 of the Franchise Agreement is deleted in its entirety and the following is substituted in its place:

> Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 or other federal law, Illinois law governs the Franchise Agreement.

3. **Jurisdiction**. Section 18.4 of the Franchise Agreement is deleted in its entirety and the following is substituted in its place:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in this Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, this Agreement may provide for arbitration to take place outside of Illinois.

4. **Renewal and Termination**. The following language is added at the beginning of Sections 2.1 and 16 of the Franchise Agreement:

> Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. **Waiver of Jury Trial**. The following language is added to the end of Section 18.11 of the Franchise Agreement:

> However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

6. **Illinois Franchise Disclosure Act:** The following language is added as a new Section 25 of the Franchise Agreement:

> 18.N. Illinois Franchise Disclosure Act
>
> In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR	**FRANCHISEE**
GET LIT CONCEPTS, LLC	________________________________
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________
Date Signed:_____________________	Date Signed:_____________________

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Franchisee," "you," or "your").

We and you are parties to that certain Franchise Agreement dated _____________________, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Franchise Agreement was made in the State of Minnesota, and/or (b) the beem Studio will be located or operated in Minnesota.

1. **Assignment and Renewal**. The following language is added to the end of Section 2.2, and Section 14.3.2.3 of the Franchise Agreement:

> Any release as a condition of renewal and/or assignment or transfer will not apply to the extent prohibited by law with respect to claims arising under Minn. Rule 2860.4400 D.

2. **Renewal and Termination**. The following language is added t 15.1 of the Franchise Agreement, entitled "Automatic Termination," to the end of Section 15.2 of the Franchise Agreement, entitled "With Notice and Without Opportunity to Cure" and to the end of Section 2.2 of the Franchise Agreement, entitled "Renewal":

> Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Section 80C.14, subds, 3, 4 and 5 require, except in certain specified cases, that you be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of this Agreement.

3. **Proprietary Marks**. The following language is added to the end of Section 4.1 of the Franchise Agreement:

> Franchisor shall protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and shall indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

4. **Conditions for Approval of Sale or Transfer.** The following language is hereby added to Section 14.3.2.3 of the Franchise Agreement:

> , provided, however, that such general release shall not apply to any claims arising under the Minnesota Franchises Law.

5. **Governing Law**. The following language is added to the end of Section 18.1, entitled "Choice of Law," of the Franchise Agreement:

> Pursuant to Minn. Stat. § 80C.21 and Minn. Rule part 2860.4400(J), this section shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, chapter 80c, including the right to submit matters to the jurisdiction of the courts of Minnesota.

6. **Jurisdiction**. The following language is added to the end of Section 18.4, entitled "Selection of Venue," of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota or requiring waiver of a jury trial.

7. **Limitation of Claims**. The following sentence is added to the end of Section 18.9 of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more that three (3) years after the cause of action accrues.

8. **Waiver of Punitive Damages/Waiver of Jury Trial.** The following language is added to the beginning of Section 18.10, entitled "Waiver of Punitive Damages," of the Franchise Agreement:

Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR	**FRANCHISEE**
GET LIT CONCEPTS, LLC	______________________________
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____________________, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the beem Studio in New York.

2. **Assignment and Renewal**. The following language is added to the end of Section 2.2 and Section 14.3.2.3 of the Franchise Agreement:

> ;provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provisio that the non-waiver provision of GBL Section 687.4 and 687.5 be satisfied.

3. **Obligations Upon Termination or Expiration.** The following language is hereby added to Section 16.1 of the Franchise Agreement:

> , provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

4. **Choice of Law.** The following language is added to the end of Section 18.1 of the Franchise Agreement:

> ; however, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

5. **Enforcement**. The following language is added to the end of Section 18.8 of the Franchise Agreement:

> D. Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

6. **Mutual Releases As Condition of Renewal**. Section 2.2 of the Franchise Agreement is hereby amended by adding the following at the end:

> All rights enjoyed by you 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 will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

7. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the New York General Business Law is met independently of this Rider.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR	**FRANCHISEE**
GET LIT CONCEPTS, LLC	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____________________, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Franchise Agreement was made in the State of Rhode Island, (b) you are a resident of Rhode Island and will operate the beem Studio in Rhode Island.

2. **Governing Law**. Section 18.1 of the Franchise Agreement, entitled "Choice of Law," is deleted in its entirety and the following is substituted in its place:

> Except to the extent governed by the Federal Arbitration Act, United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq*) or other federal law, and except as otherwise required by law for claims arising under the Rhode Island Franchise Investment Act, this Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the laws of the State of North Carolina (other than the choice of law provisions thereof).

3. **Jurisdiction**. The following is added to the end of Section 18.4 of the Franchise Agreement, entitled "Selection of Venue":

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under this Act."

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR	**FRANCHISEE**
GET LIT CONCEPTS, LLC	___________________________________
By:______________________________	By:______________________________
Name:_____________________________	Name: ____________________________
Title:_____________________________	Title:_____________________________

WASHINGTON RIDER TO THE
FRANCHISE AGREEMENT AND RELATED AGREEMENTS

This Rider is entered into this _____ day of ___________________, 202__, by and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our"), and ____ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Franchise Agreement dated _____________________, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Franchise Agreement was made in the State of Washington, (b) you are a resident of Washington, and/or (c) the beem Studio will be located or operated in Washington.

2. **Addition of Paragraphs**. The following paragraphs are added to the end of the Franchise Agreement:

   In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

   RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

   In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

   A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

   Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

   Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's annual earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

   RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties have executed this Rider to the Franchise Agreement on the date stated on the first page.

FRANCHISOR	**FRANCHISEE**
GET LIT CONCEPTS, LLC	________________________________
By:______________________________	By:______________________________
Name:____________________________	Name: ____________________________
Title:____________________________	Title:____________________________

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE DEVELOPMENT AGREEMENT

RIDER TO THE
DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Franchisee," "you," or "your").

1. **Background**. We and you are parties to that certain Development Agreement dated _____________________, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Development Agreement occurred in Illinois and the beem Studio will be located or operated in Illinois and/or (b) you are a resident of Illinois.

2. **Illinois Franchise Disclosure Act**. The following language is added to the Development Agreement as a new Section 25:

17. Illinois Franchise Disclosure Act

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
GET LIT CONCEPTS, LLC	________________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________
Date Signed:______________________	Date Signed:______________________

RIDER TO THE
DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

This Rider is entered into this ___ day of ____________, 202__, by and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and ___________________________ ("Developer," "you," or "your").

1. **Background**. We and you are parties to that certain Development Agreement dated ______________________, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Development Agreement was made in the State of Minnesota, and/or (b) the beem Studio will be located or operated in Minnesota.

2. **Renewal and Termination**. The following language is added to the end of Section 6.2 of the Development Agreement:

> Minnesota law provides Developer with certain termination and non-renewal rights. Minn. Stat. Section 80C.14, subds, 3, 4 and 5 require, except in certain specified cases, that Developer be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of this Agreement.

3. **Proprietary Marks**. The following language is added to the end of paragraph C of the Background of the Development Agreement:

> Franchisor shall protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and shall indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

4. **Governing Law**. The following language is added to the end of Section 11, entitled "Choice of Law," of the Development Agreement:

> Pursuant to Minn. Stat. § 80C.21 and Minn. Rule part 2860.4400(J), this section shall not in any way abrogate or reduce your rights as provided for in Minnesota Statutes 1984, chapter 80c, including the right to submit matters to the jurisdiction of the courts of Minnesota.

5. **Jurisdiction**. The following language is added to the end of Section 15, entitled "Consent to Jurisdiction" of the Development Agreement:

> Minnesota Statutes, Section 80C.21 prohibits Franchisor from requiring litigation to be conducted outside Minnesota.

6. **Jury Trial Waiver**. The following language is added to the end of Section 17, entitled "Jury Trial Waiver" of the Development Agreement:

> Minnesota Rule 2860.4400(J) prohibits Franchisor from requiring waiver of a jury trial.

7. **Waiver of Punitive Damages/Waiver of Jury Trial.** The following language is added to the beginning of Section 18, entitled "Waiver of Punitive Damages," of the Development Agreement:

Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
GET LIT CONCEPTS, LLC	___________________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

RIDER TO THE
DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

This Rider is entered into this ___ day of _____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and ____________________________ ("Developer," "you," or "your").

1. **Background**. We and you are parties to that certain Development Agreement dated ______________________, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Development Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the beem Studio in New York.

2. **Assignment**. The following language is added to the end of Section 8 of the Development Agreement:

> ;provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provisio that the non-waiver provision of GBL Section 687.4 and 687.5 be satisfied.

3. **Obligations Upon Termination or Expiration**. The following language is hereby added as a new Section 6.4 of the Development Agreement:

> All rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

4. **Choice of Law**. The following language is added to the end of Section 11 of the Development Agreement:

> ; however, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

5. **Enforcement**. The following language is added to the end of Section 14 of the Development Agreement:

> Nothing herein contained shall bar our right to seek injunctive relief against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

6. Each provision of this Rider will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the New York General Business Law is met independently of this Rider.

[*signature page to follow*]

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

FRANCHISOR	**DEVELOPER**
GET LIT CONCEPTS, LLC	______________________________
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________

RIDER TO THE
DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

This Rider is entered into this ___ day of ____________, 202__, but and between GET LIT CONCEPTS, LLC, a North Carolina limited liability company ("we," "us," or "our") and __________________________ ("Developer," "you," or "your").

1. **Background**. We and you are parties to that certain Development Agreement dated _____________________, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the beem Studio you will operate under the Development Agreement was made in the State of Rhode Island, (b) you are a resident of Rhode Island and will operate the beem Studio in Rhode Island.

2. **Choice of Law**. Section 11 of the Development Agreement, entitled "Choice of Law," is deleted in its entirety and the following is substituted in its place:

> Except to the extent governed by the Federal Arbitration Act, United States Trademark Act of 1946 (the Lanham Act, 15 U.S.C. §§ 1051 *et seq*) or other federal law, and except as otherwise required by law for claims arising under the Rhode Island Franchise Investment Act, this Agreement will be construed and interpreted, and our relationship with you and the rights and obligations of the parties governed, in accordance with the laws of the State of North Carolina (other than the choice of law provisions thereof).

3. **Jurisdiction**. The following is added to the end of Section 15 of the Development Agreement, entitled "Jurisdiction and Venue":

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under this Act."

IN WITNESS WHEREOF, the parties have executed this Rider to the Development Agreement on the date stated on the first page.

GET LIT CONCEPTS, LLC	**DEVELOPER:**
	________________________________
By:______________________________	By:______________________________
Name:____________________________	Name: ___________________________
Title:_____________________________	Title:____________________________

EXHIBIT J
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

COMPLIANCE CERTIFICATION

COMPLIANCE CERTIFICATION

NOTE: THIS ACKNOWLEDGMENT AT CLOSING SHALL NOT BE COMPLETED OR SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE BEEM STUDIO IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

DO NOT SIGN THIS ACKNOWLEDGMENT AT CLOSING IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, ANY OF THE ABOVE LISTED STATES, INCLUDING CALIFORNIA OR MARYLAND.

In this document "you" means ____ and "we" or "us" means Get Lit Concepts, LLC.

The execution of documents for the awarding of a beem franchise to you finalizes a process in which you review a great deal of information provided by us and others. Much of this information has a significant impact upon the transaction. The information considered by you serves as the basis upon which you make a decision whether to purchase a beem franchise.

You wish to enter into a Franchise Agreement with us for a beem office to be located at ____.

Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and/or Development Agreement, as well as each exhibit or schedule attached to this agreement, which you intend to enter into with us?

Yes____ No ____ 2. Have you received and personally reviewed the disclosure document we provided?

Yes____ No ____ 3. Did you sign a receipt for the disclosure document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the disclosure document and the Franchise Agreement and/or you intend to enter into with us?

Yes____ No ____ 5. Have you reviewed the disclosure document and Franchise Agreement and/or Development with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?

Yes____ No ____ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Approved Location, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement and Development Agreement?

Yes____ No ____ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the Proprietary Marks or any other mark at any location outside your Designated Territory under the Franchise Agreement without regard to the proximity of these activities to the Approved Location of your Franchised Business(es)?

Yes____ No ____ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Development Agreement must be mediated, at our option, in Huntersville, North Carolina?

Yes____ No ____ 10. Do you understand the Franchise Agreement/Development Agreement provided that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes____ No ____ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement/Development Agreement is us?

Yes____ No ____ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes____ No ____ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement/Development Agreement?

Yes____ No ____ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes____ No ____ 15. Do you understand that we will send written notices, as required by your Franchise Agreement to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 16. Do you understand that we will not approve your purchase of a franchise from us, or we may immediately terminate your Franchise Agreement/Development Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the disclosure document or that is contrary to, or different from, the information contained in the disclosure document?

Yes____ No ____ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the disclosure document or that is contrary to, or different from, the information contained in the disclosure document?

Yes____ No ____ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the disclosure document?

Yes____ No ____ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the disclosure document?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Nothing in this Acknowledgment at Closing will alter the law of the state whose law governs this transaction.

IN WITNESS WHEREOF the parties have executed this Acknowledgment on the _____ day of ____________________, 202__.

________________________________	________________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
________________________________	________________________________
Name (please print)	Name (please print)
Dated: _______________, 20_______	Dated: _______________, 20_______
________________________________	________________________________
Signature of Franchise Applicant	Signature of Franchise Applicant
________________________________	________________________________
Name (please print)	Name (please print)
Dated: _______________, 20_______	Dated: _______________, 20_______

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER).

We acknowledge your representations and commitments stated above and based on those assurances, among other things, we agree to award you a beem franchise.

Get Lit Concepts, LLC

By ______________________________

____

Its ______________________________

EXHIBIT K
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
CALIFORNIA	Pending
HAWAII	Not Registered
ILLINOIS	Pending
INDIANA	Pending
MARYLAND	Not Registered
MICHIGAN	April 18, 2024
MINNESOTA	Pending
NEW YORK	Pending
NORTH DAKOTA	Not Registered
RHODE ISLAND	Pending
SOUTH DAKOTA	Not Registered
VIRGINIA	Pending
WASHINGTON	Pending
WISCONSIN	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT L
TO THE GET LIT CONCEPTS, LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPTS

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GET LIT CONCEPTS, LLC offers you a franchise it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If GET LIT CONCEPTS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is also included in Exhibit A.

The franchisor is GET LIT CONCEPTS, LLC, located at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078; (704) 561-6666.

Issuance Date: April 18, 2024

The name, principal business address, and telephone number of each franchise seller offering this franchise are as follows: Zachary Celaya and Kierstin Lothe - GET LIT CONCEPTS, LLC, 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078, (704) 561-6666; Whit Shephard and Jessica Rathke, FranDevo Co, 19460 Old Jetton Road, Suite #204, Cornelius, NC 28031, (704) 209-4310; and ____.

I received a disclosure document from GET LIT CONCEPTS, LLC issued as of April 18, 2024, that included the following Exhibits:

Exhibit A -- List of State Administrators/Agents for Service of Process
Exhibit B -- Table of Contents of Operations Manuals
Exhibit C -- Financial Statements
Exhibit D -- Franchise Agreement
Exhibit E – Development Agreement
Exhibit F – Renewal/Assignment of Franchise Documents Release
Exhibit G -- List of Franchisees
Exhibit H – List of Franchisees who have left the system
Exhibit I – State Specific Addenda
Exhibit J – Compliance Certification
Exhibit K – State Effective Dates
Exhibit L – Receipts

If an individual:

By: ___________________________________
Name: _________________________________
Date: __________________________________
Telephone Number: ______________________

If a Partnership, Corporation or Limited Liability Corporation:

Name: ____
Title: ____
Name of Entity: ______________________________
Address: _____________________________________
Date: ____

RECEIPTS

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GET LIT CONCEPTS, LLC offers you a franchise it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If GET LIT CONCEPTS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is also included in Exhibit A.

The franchisor is GET LIT CONCEPTS, LLC, located at 13620 Reese Blvd. East, Suite 300, Huntersville, NC 28078; (704) 561-6666.

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Title: ____
Name of Entity: ____________________________________
Address: ____
Date: ____