



FRANCHISE DISCLOSURE DOCUMENT

OTA HEALTHMATE, LLC

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Websites: Company: www.otahealthmate.com

Franchise: www.OTAWorld.store

OTA Healthmate, LLC offers franchises under the names of “OTA World®”, “Osaki® World” or “Osaki® Outlet” or Osaki®+(Plus), (collectively OTA World®) for the operation of a single retail massage chair store showroom designed to display, demonstrate and sell quality massage chairs and accessories to the general public. The total investment necessary to begin operation of an OTA World® franchised store in a leased retail space ranges from \$59,000 to \$104,000, for a location of 600 square feet; or from \$85,000 to \$156,000 for a location up to 1,000 square feet or more. There is no Franchise Fee that must be paid to us.

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 sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Paul Stewart, OTA Healthmate, LLC at 1001 W. Crosby Lane, Carrollton, TX 75006, phone 214-505-2202.

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

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

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

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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.
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 B., 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 OTA World® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be OTA World® franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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.

**OTA HEALTHMATE, LLC
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**ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language within this document, this disclosure uses “we” or “us” to mean OTA Healthmate, LLC (“OHL”) the franchisor, offering franchised massage chair Stores to be called “OTA World®”. “You” means the individual, corporation or other entity “Franchisee” who buys an OTA World® franchise.

OTA Healthmate, LLC, (“OHL”) a Texas Limited Liability Company formed on April 11, 2019, is the franchisor. Our manufacturing affiliate, Titan Chair, LLC (“TCL”) is a Texas Limited Liability Company formed on February 21, 2007. Both OHL and TLC share the same principal business owners and address: 1001 W. Crosby Lane, Carrollton, TX 75006.

The agent for service of process is Mr. Michael Cha, 1001 W. Crosby Lane, Carrollton, TX 75006. The state administrator for the State of Texas is the Secretary of State, Statutory Document Section, P.O. Box 12887, Austin, Texas 78711. Please refer to “EXHIBIT D” for a list of agents for service of process in states other than Texas. There are no parent companies of any kind. OTA Healthmate, LLC may use the services of franchise brokers.

OHL is not engaged in any other business and does not do business under any other name. OHL does not currently operate any Stores of the kind described in this disclosure document, however, its affiliate TCL operates one franchised Store in Plano, TX, similar to the franchise being offered, that has been operating for over three years. The OTA World® franchisees of are listed in Item 20 of this disclosure document. OHL’s affiliate TCL may open and operate additional Stores, but TCL will not offer franchises.

OTA World® franchise owners will sell massage chairs and accessories under the names Osaki®, Titan®, Apex® and/or Otamic®, all of which names and product lines are owned by TCL, except Otamic®, which trademark is owned by OHL. TCL has been manufacturing and selling massage chairs and accessories for over 12 years, both to retail and wholesale accounts.

A Franchisee will operate an “OTA World® (or Osaki® World, or Osaki® Outlet) Massage Chair Store” utilizing our unique systems, marketing and methods for displaying, demonstrating and selling quality massage chairs and accessories to the general public.

We have a franchise agreement (“Franchise Agreement”) under which you shall establish one Store at a specified location. The Franchise Agreement that you will be required to execute for this Store is a part of this disclosure document, as Exhibit “C” (see Item 5 regarding initial Franchise Fee).

The Stores’ massage chairs and accessories are marketed to individuals for relaxation and the health benefits from automated, programmable massage in the comfort of their own homes, without the expense of paying for personal massage in a therapeutic spa or clinic. Preferred locations for the Stores are corner sites (“end-caps”) or in-line sites within shopping centers located in suburban areas, that are on or near major streets with strong automotive traffic. Our target market are all adults, and sales are year-round, not seasonal.

Certain laws pertain to the operation of a retail Store, such as state safety codes, local city ordinances, and other regulations. You must comply with all federal, state and local business and safety regulations. You should always investigate the local rules and ordinances of the area in which you plan to operate a Store.

The market for our style of massage chair store products is well established and competitive. There are other stores and websites that sell massage chairs and accessories. We are the first company to only offer quality massage chairs and accessories as a complete franchised business.

OHL, and TCL have not offered franchises in any other business, prior to this offering. TCL is not now, and will not be offering franchises similar to the franchise being offered by OHL. TCL has been manufacturing and selling massage chairs and related accessories nationally since 2007. TCL is the primary supplier for massage chairs and related accessories to OTA World® Store franchises.

**ITEM 2
BUSINESS EXPERIENCE**

The following is a list of directors, principal officers and other executives who have management responsibility in connection with the operation of OTA World business relating to the franchises described in this disclosure document. The principal occupation and business experience of each person during the last five years, including the names and locations of prior employers, are listed below.

Founder and Member: Steven Cha. Mr. Cha founded OTA Healthmate, LLC in April 2019. Mr. Cha also founded Titan Chair, LLC in February, 2007, also in Carrollton, TX.

Managing Member and CEO: Michael Cha. Michael is President of OTA Healthmate, LLC, of Carrollton TX, since May 2019 to present. Mr. Cha is also President of Titan Chair, LLC, of Carrollton TX, from July 2007 to present.

Member and CFO: Howard Cha. Howard is the CFO of OTA Healthmate, LLC since May 2019 to present. He was employed by CBRE in Dallas TX, from July 2006 to May 2019, with his last six years as the Controller of Global Finance.

Operations Director: David Cho. David is the Operations Director of OTA Healthmate, LLC in Carrollton TX, since July 2020. Mr. Cho is also a Director for Titan Chair, LLC in Carrollton TX, since April 2017. From January 2016 to December 2016, he was Marketing Director for KTN News, Dallas, TX. David was the Marketing Director with Radio Korea, from January 2013 to September 2015, in Los Angeles, CA.

Director of Franchising: Paul Stewart. Mr. Stewart began working with OTA Healthmate, LLC in 2019, as a consultant for franchise development. Mr. Stewart is President of Franchise Associates, a national franchise development company, In Dallas, TX, since 1978.

**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 FRANCHISE FEE**

There is no initial Franchise Fee.

**ITEM 6
OTHER FEES**

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (2)	NONE	Franchisees do not pay a royalty fee	OHL does not charge a royalty fee
Advertising Fee (1)	1% of Gross Sales (3)	Payable monthly by the 5 th day for the previous month	Paid to OHL. This Fee may be used in the Advertising Fund, if & when activated
Local Advertising	5% of Gross Sales (3)	Spent each month for local advertising of Franchisee's Store	Franchisee must advertise the local Store and account to OHL for such expenses
Insurance (4)	Premiums vary depending on location.	Usually upon notice from OHL if you have failed to pay premiums	You must get insurance before you begin any construction
Training (1)	Up to \$1,000 per person, if more than two require mgmt. training	1 week prior to beginning training	OHL trains one Store Director & one sales employee at no charge, for one week at our choice of location
Additional Training (1)	A reasonable fee may be charged to you if additional training is offered or required by OHL.	Prior to attending such additional training	If OHL offers or requires additional training, you will be notified in advance, any fee charged will be uniform for all franchisees
Audit (1)	Cost of audit plus 18% interest (5)	Thirty days after billing	Payable only if audit shows understatement of Gross Sales for any month

Site Evaluation Costs (1)	OHL may charge it's reasonable costs and expenses.	Thirty days after billing	OHL provides two on-site evaluations for your location at no charge to you
Transfer (1)	\$5,000 from Transferee	5 days prior to transfer	Payable when franchise is sold.
Renewal (1)	Varies based on inspection	Upon execution of new Franchise Agreement	Paid to OHL, Pay costs of inspection, bring Store up to then current standards, and any legal costs incurred by OFC for renewal
Management (1)	If requested, OHL may provide on-site management for a fee to be mutually determined at that time	Payable weekly on Wednesday for the previous week, plus salary of Manager we place in your Store, if requested	Only payable if OHL elects to operate the Store after your death or disability
Website Production & Maintenance (1)	On- time \$700 fee to design your website, plus a maintenance fee for upkeep and changes	Payable to OHL before opening, maintenance paid as needed or assessed by OHL	The maintenance fee will be competitive hourly market rate, but is not yet determined, but could range from \$25 to \$50 per hour or more
Weebly Service Fee (1)	\$300	Paid annually	Paid to Weebly by OHL
Computer Software	\$300 to \$500	Annual Maintenance & Updates	Paid to Software company
Interest (5)	18% or maximum legal rate, whichever is less	Immediately applied if late	Paid to OHL

(1) The fee is imposed by and payable to OHL and is nonrefundable.

(2) You are not required to pay to OHL a royalty fee.

(3) "Gross Sales" includes all revenue from the sale of massage chairs, accessories and products from the operation of the Store, whether for cash or credit and regardless of collection in the case of credit; provided that Gross Sales will not include any sales tax or other taxes collected from customers by you and paid to the appropriate taxing authority. OHL may, from time to time, in writing, permit certain other items to be excluded from Gross Sales. Any such permission may be revoked or withdrawn at any time in writing by OHL in its discretion.

(4) Insurance coverage requirements are uniformly imposed on all franchisees subject to this offering; however, the costs of this coverage may not be uniform for all franchisees because premiums may vary in accordance with the insurer, the location of the insured's premises, the insurance requirements of applicable law and other factors. These costs will not be collected or imposed in whole or in part on behalf of any third party.

(5) Interest is not charged unless payment is at least seven (7) days late, but if charged, accrues from the date of nonpayment.

ITEM 7 YOUR ESTIMATED INITIAL INVESTMENT

The following table provides an estimate of your initial investment for one (1) Store constructed in accordance with OHL's current prototype plans and specifications. There is only one type of space: conversion of an existing retail lease space, either as a 600 SF or a 1,000 SF Store.

Type of expenditure	Amount 600 SF Store	Amount 1,000 SF Store	Method of payment	When due	To whom payment is made
Franchise Fee (1)	\$0	\$0			
Architectural Planning (2)	\$0 to \$2,000	\$0 to \$5,000	Negotiable	Negotiable	Architectural Firm
Lease Deposits (3)	\$4,000 to \$9,000	\$5,000 to \$10,000	Negotiable	As Incurred	Landlord/Vendors
Leasehold Improvements (2)	\$5,000 to \$15,000	\$10,000 to \$25,000	Negotiable	Negotiable	Contractors/Vendors
Showroom Inventory (4)	\$25,000 to \$30,000	\$30,000 to \$45,000	As Arranged	As Invoiced	Approved Vendors/TCL
Furniture and Equipment (5)	\$2,000 to \$3,000	\$2,000 to \$3,000	Lump Sum	As Invoiced	Vendors
Interior graphics & décor(6)	\$4,000 to \$8,000	\$8,000 to \$10,000	Lump Sum	As Invoiced	Vendors
Exterior Signage (6)	\$3,000 to \$6,000	\$4,000 to \$7,000	Lump Sum	As Invoiced	Vendors
Insurance (7)	\$1,000-\$3,000	\$1,000-\$3,000	Lump Sum	As Incurred	Vendor
Travel & Training Costs (8)	\$3,000 to \$5,000	\$3,000 to \$5,000	As Arranged	As Needed	Hotel/Airfare
Professional Fees (9)	\$2,000 to \$3,000	\$2,000 to \$3,000	As Arranged	As Arranged	Accountant, Lawyer
Opening Promotion (10)	\$5,000 to \$10,000	\$10,000 to \$15,000	Cash	As Needed	Paid as needed
Working Capital (10)	\$5,000 to \$10,000	\$10,000 to \$25,000	Cash	As Needed	Paid as needed
Total (11)	\$59,000 to \$104,000	\$85,000 to \$156,000			

(1) There is no Franchise Fee.

(2) This assumes that you will lease the premises for a traditional Store location of approximately) 600 square feet (SF), or 1,000 SF, in a shopping center space, or a conversion of an existing facility. The space may be planned by an architect and approved by OHL, and by your city building code department. Typical pricing from a general contractor for construction remodeling may range from \$1.00 to \$20/SF or more. We expect the cost of remodeling or construction may be from \$20 to \$35/SF. These amounts are OHL's best estimate based upon commercial leasing and remodeling/finish-out rates in the Dallas/Fort Worth, Texas metropolitan area in 2023, and may vary substantially based upon local commercial leasing, construction, labor rates and conditions and the availability and prices of materials.

(3) This includes the lease for your retail space. We recommend you to have your attorney review your leases prior to signing any lease and/or construction agreement. These figures are OHL's best estimate based on financing conditions in 2023 in the Dallas/Fort Worth, Texas metropolitan area. Costs may vary substantially depending on geographic location, creditworthiness and your financing arrangements.

(4) These amounts include costs for massage chairs, accessories and associated items required for the Store, that are purchased from approved vendors only.

(5) The cost for desks, computer, printer, files, shelves, storage and other furniture necessary to operate your Store (\$2,000 to \$3,000 total).

(6) These amounts include interior and exterior signage, possibly including can signs, and interior digital displays and graphics. The cost of signage may vary significantly depending on the location of the Store, landlord and municipal requirements, and market conditions.

(7) OHL estimates that the range given will be sufficient to cover normal operational insurance needs. These amounts may vary according to your location, and types of insurance you purchase.

(8) This estimate reflects an estimate of costs for up to two people to attend and complete the initial training. These amounts include transportation costs, the cost of lodging and meals, (but no salary or employee wages or incidental expenses). Your costs may be greater depending upon your distance from Dallas/Ft. Worth, Texas and the lodging and meals chosen, and your employee wages.

(9) These amounts are OHL's best estimate of legal and accounting fees associated with the review of this disclosure document and other organizational costs and expenses associated with the start-up of the Store. Your actual costs may vary substantially depending on individual professionals utilized and organizational structure chosen.

(10) These amounts provided will be used by you to cover costs and expenses such as opening advertising, debt service, wages, marketing, rent, and other occupancy costs and other operating expenses during the initial three months of operations. These amounts may vary depending upon your sales volume, your management skill, how much you follow OHL's methods and procedures, local economic conditions and wage rates, competition and your financing costs. These amounts are estimates, and OHL cannot guarantee that you will not have additional expenses starting the Store.

(11) OHL has relied on its affiliate's (TCL) experience in the massage chair business to compile these estimates. Still, OHL cannot assure you that you will experience the same level of costs. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The Initial Investment estimates relate to a single Store.

Neither OHL nor any affiliate of OHL offers any financing for your initial Franchise Fee or any portion of your initial investment.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

OHL has developed proprietary teaching methods, products, promotions, and procedures, that distinguish our massage chair Store offerings from other stores. You are required to purchase and use only approved products from OHL, its affiliates or approved vendors. You are required to purchase

insurance before your Store opens, choice of insurance company is yours, as long as you name OHL as an additional insured.

You may purchase other supplies from vendors we recommend or from other vendors of your choice, provided their products meet our reasonable standards for quality, delivery, and reliability. OHL has a list of approved vendors. If you choose different vendors than those recommended by OHL, our review process may take thirty (30) days. If you sell or attempt to sell any unauthorized massage chairs or products in your Store, unless you first obtain written consent from OHL, OHL may fine you \$45,000 as a penalty, in its sole discretion.

The estimated cost of your initial massage chair and product inventory may range from \$25,000 to \$45,000 prior to opening your Store. It is anticipated that the costs of these required and recommended products will be from 70% to 90% of your Gross Sales in connection with the operation of the Store. The approximate retail mark-up may range from 15% to 40% on products sold by franchisees.

OHL will derive up to 90% or more of its total revenues from franchisees. TCL will derive revenue from OTA World® franchisees as well; however, there are no franchise revenues as of the date of this disclosure document. 100% of your purchases of massage chairs, accessories and supplies to establish and operate your OTA World® Massage Chair Store will come from OHL and/or TCL.

OHL may negotiate volume discount arrangements with certain vendors for its franchisees, (including pricing and payment terms), based upon volume purchases by the franchise system. There is insufficient experience to date to determine the extent to which you or any franchisee will generate sufficient volume to take advantage of these volume discounts.

OHL does not provide you any material benefits (such as better renewal terms or granting you additional franchises) based on your use of approved or recommended vendors; however, failure to use required vendors may put you in default under your Franchise Agreement.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	Section in Franchise Agreement	Item in Disclosure Document
a.	Site selection and acquisitions/lease	2, 5	Item 11
b.	The pre-opening purchases	2, 6	Items 7, 11
c.	Site development and other pre-opening requirements.	2, 6	Item 11
d.	Initial and on-going training.	3, 4	Item 11
e.	Opening	2, 4, 6	Item 11
f.	Fees	3	Items 5, 6
g.	Compliance with standards and policies/operating manual.	5, 6, 10	Items 8, 16
h.	Trademarks and proprietary information.	9	Items 13, 14
i.	Restrictions on products/services offered	6	Item 16
j.	Warranty and customer service requirements.	6	Item 16
k.	Territorial development and sales quotas.	6, 8	
l.	On-going product/purchases	6	Item 8
m.	Maintenance, appearance and remodeling requirements.	6, 8	Items 16, 17
n.	Insurance	7	Item 7
o.	Advertising	8	Items 6, 11
p.	Indemnification	15	Item 11
q.	Owner's participation/management/staffing	4	Item 15
r.	Records and Reports	3, 10	Item 6
s.	Inspection and audit	3, 6, 10	Items 6, 11
t.	Transfer	3, 13	Item 17
u.	Renewal	2, 3	Item 17

v.	Post-termination obligations.	12, 13, 14	Item 17
w.	Non-competition covenants	12	Item 17
x.	Dispute resolution	14	Item 17

ITEM 10 FINANCING

OHL does not offer direct or indirect financing. OHL does not guarantee your note, lease or obligation.

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

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

Pre-Opening Assistance

Before you open your OTA World Store, we will:

1. Assist you with finding an appropriate location, taking into consideration the potential customer base, any competition in your local market, and proximity to other OTA World® franchises. Approval of your location will not be unreasonably withheld. If requested, we can assist you with negotiation of the terms of your lease or sublease. (Section 2, Franchise Agreement)
2. Assist you in the construction of your location, including selection of furniture and fixtures and planning the layout and design of the facility. We will provide you with specifications for furniture and fixtures in the OTA World® Operations Manual. We can provide you with names of suppliers and vendors. We can provide you with advice and support throughout the construction phase. Remodeling and construction will be at your expense, but we will assist with the process from planning through completion.
3. Provide you with the OTA World® Operations Manual, containing the proper business policies and procedures. This is an important document that contains all specifications, standards, operating procedures and policies that you will be expected to abide by. The information contained in the OTA World® Operations Manual is confidential. (Sections 5 & 6, Franchise Agreement)
4. Train you, and one other employee operate an OTA World® Store, including our massage chairs and procedures, as well as completing all necessary paperwork. Training usually starts shortly before your location is ready to open. (Sections 3 & 4, Franchise Agreement)
5. Advise you on how to obtain all required health, building, utility and sign permits or any other required permits to confirm to the development of the premises to local ordinance and building codes. If requested, we can refer you to a legal professional to guide you through the process and ensure compliance with all state, federal and local laws. This will be at your expense. (Section 6, Franchise Agreement)
6. Introduce you to your Field Representative, whom you may call upon for consultation on anything OTA World® related. (Section 3, Franchise Agreement)
7. OHL will design and maintain your Store's website, and assign you a domain name URL. (Section 3, Franchise Agreement)

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchisee's business is 3-6 months. Factors affecting this length of time usually include: the difficulty of obtaining a satisfactory site, compliance with city planning and permit process, construction, delivery and installation of the furniture, fixtures and signs, and the timetable of the Franchisee.

Post-Opening Assistance

During the operation of your OTA World® franchise, we will:

1. Advises you of new developments and techniques in the business. (Sections 6 & 8, Franchise Agreement)

2. Provide you with access to home office personnel for consultation on matters relating to your business. (Section 6, Franchise Agreement)

3. Periodically monitor your Store for product display and quality, customer service, and adherence with company policies and procedures. (Sections 5 & 6, Franchise Agreement)

4. Provide yearly management meetings

During the operation of your franchise, we may, at our option:

1. Analyze current market trends and costs to review pricing of products. Upon completion of this review, we may make recommendations as to adjustments in your pricing.

2. Develop and test new products that may or may not be incorporated into the program.

3. Assist in establishing reliable and cost-effective suppliers and/or vendors in your area.

4. Periodically conduct meetings, seminars, and other related activities regarding the operation of Stores for franchisees generally, which you may attend. Except as approved by OHL, any costs incurred by you or Store personnel in attending such events will be your responsibility. (See Item 6).

5. OHL may provide interim management of the Store in the event of the death or permanent disability of any person with a twenty-five percent (25%) or more interest in the Franchise Agreement, the Store or in you, or any person with a smaller interest if OHL determines, in its sole discretion, that this person had substantial control or supervision over the management of the Store. Such interim management is provided by OHL at its option and OHL may charge a monthly management fee for such services. In addition, if OHL provides one of its employees as Manager, you must pay OHL the Manager's then-current salary for the time of such interim management (see Item 6).

Advertising

We may provide advertising periodically, at our discretion. Your 1% contribution will be used to help pay for creative, design and other media services, at OHL's discretion, and is not accountable to you. OHL is not obligated to spend any advertising amount in your territory. Upon request, we will provide you with art ready digital versions of our advertising, trademarks and logos for use, on an as-needed basis. You may not, at any time, modify the logo or trademarks or use them for any other unauthorized purpose. All advertisements or commercials, whether provided by OHL or designed by you, must be approved by OHL before usage in any form of media. OHL does not have an advertising council or cooperative or Advertising Fund.

Computer System

Before beginning the operation of the franchise, you must purchase the required computer hardware, software, installation and internet service, required dedicated telephone and power lines and other related accessories and equipment. The approved system consists of a current updated version laptop or desktop computer, which you may already own or may purchase (see Item 7, Note: 5). Your Store requires an Internet service provider with a minimum Internet connection of 100MBPS download and 40MBPS upload. You may purchase this system from our suppliers, and secure an Internet provider who can supply the bandwidth and speed we need for the Internet.

You will need a laptop or desktop computer that is a model newer than 2016, running Windows 10, which may cost from \$500 to \$1,500. You should have a subscription for Windows Office 365 Business Premium software suite. You will need a subscription for QuickBooks Online under OHL's master account for business bookkeeping, and reports. You will also need an all-in-one printer/fax/scanner/copier that is compatible with your computer, for printing sales receipts, faxing orders, generating sales flyers, etc., as needed, which all-in-one printer may cost you \$100 to \$300. OHL may collect some upgrade or maintenance fees on behalf of itself, or Internet or software vendors.

You will pay for annual updates to the software and/or Internet services as needed. We estimate that such updates and maintenance services may cost from \$300 to \$500 per year, based on the Internet and software vendors you use (see Item 6).

OHL has the right to monitor your franchise business financial account on QuickBooks Online as long as you are an OTA World® franchisee.

Training Program

The Table of Contents for the OTA World® Operations Manual is attached in the back of this disclosure document as Exhibit C.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of Training On-The-Job	Location
Store Management	Approx. 2-3	8-16	OHL HQ or approved location
Reporting Requirements	Approx. 2-3	2-3	OHL HQ or approved location
Policies and Procedures	Approx. 2-3	2-3	OHL HQ or approved location
Store Marketing	Approx. 2-3	4-8	OHL HQ or approved location
Customer Service	Approx. 2-3	2-3	OHL HQ or approved location
New Store Orientation	Approx. 1-2	1-2	Your Store

We require the successful completion of a comprehensive training program by up to two persons responsible for the day-to-day operations of your Store. This program includes a face-to-face meeting regarding policies and procedures as well as hands-on training at an approved OTA World® location. The training consists of at least 11-17 hour of classroom and 19 to 35 hours of performance and evaluation, per person, of approved supervised training by an OTA World® representative. You will be trained for up to one week at our corporate location, and up to one week at your Store location. at the sole option of OHL.

The training program is typically conducted one to two weeks prior to the opening of your Store. Satisfactory completion of the training program is required prior to the opening of your new Store. We determine whether your training is satisfactory.

If you have attended the training program previously and are opening an additional franchise, you will not be required to attend again, unless we determine that additional training is necessary.

The comprehensive training program for the persons who will run the day-to-day operations of the store, and the pre-opening training, will be provided free-of-charge. From time to time, we may determine that additional management training is necessary. If so, we reserve the right to charge you the reasonable cost of providing your Manager with such additional training.

While attending training, you will be provided with an initial supply of business forms and other related materials during the training course. Additional forms and materials can be provided at a nominal cost.

It will be your responsibility to ensure that any subsequent employees are properly trained. It will be your responsibility to ensure that the OTA World® policies and procedures are followed at all times. We will audit your Store to ensure compliance with OTA World® policies and procedures.

The training classes identified above are held on an as-needed basis. Instructional materials that will be used at the initial training consist of our manual, and personal training on operations, marketing and sales. The instructors are as follows: David Cho, Director of Marketing for OHL, who has developed the websites, advertising and social media for OHL and TCL for marketing product sales, for over three years; Howard Cha, the CFO of OHL, will train franchisees on Store operations and accounting for best business practices.

Except as set out in Item 6, OHL does not charge for this initial training. You must pay all transportation charges and living expenses of the persons attending.

Not later than seven (7) days prior to the opening date of the Store, your Operating Principal (Store Manager) is required to have completed, to OHL's satisfaction, OHL's initial training program. Training will be conducted at OHL's corporate office or another location designated by OHL. OHL will determine, in its sole discretion, whether you and your employees have satisfactorily completed initial training. OHL anticipates that completion of the initial training program will require approximately one week at our discretion. If the training program is not satisfactorily completed by you and/or your employees, or if OHL, in its reasonable business judgment based upon the performance of you and/or your employees,

determines that the training program cannot be satisfactorily completed by such person(s), you must immediately designate a replacement employee(s), as applicable, to complete such training.

If the initial training program is not satisfactorily completed by any replacement employees (or the initial employees, if no replacement is designated) or if OHL determines that the training program cannot be satisfactorily completed by such person(s), OHL may, in its sole discretion, terminate the Franchise Agreement upon notice to you.

OHL is not a joint employer with you regarding any of your employees. We may give you some suggested employee materials; however, we are not involved in their management, policies or procedures apart from our initial training and suggestions. You are solely responsible for your employees.

OHL may offer additional training that may be required for you and/or your employees. OHL will notify you prior to such additional training requirements. Any charges for such training will be reasonable, and equal for all franchisees.

ITEM 12 TERRITORY

The Franchise Agreement grants to you the right to operate a Store at a single location selected by you and approved by OHL.

You will receive an exclusive territory. The typical exclusive territory may be up to 5 miles in radius, depending on factors such as potential customer population, income levels, home values, population growth, and other factors at the sole discretion of OHL. You may face some competition from other franchisees, or from sales efforts by our affiliate TCL, or from web sales. You may sell to customers outside your exclusive territory; however, you may not solicit sales outside your territory by any means, including print, electronic or the Internet. You may relocate your OTA World® Store, provided the new location is within your territory and approved by OHL at least 14 days in advance of signing a new lease.

The rights granted to you are not dependent upon the achievement of a certain sales volume, market penetration or other contingency. OHL may grant you the opportunity to open additional franchises, at its sole discretion.

We do not presently intend to establish other franchisees or company-affiliated Stores selling similar products or services under a different trade name or trademark, but we reserve the right to do so. If OHL or our affiliate TCL sells any products within your exclusive territory, OHL and/or TCL may arrange to compensate you for such sales, at OHL's or TCL's discretion.

OHL may sell products by other means than through OTA World® franchisees, such as use of the Internet for direct sales outside of your territory. TCL may use other names and means, including the Internet, to sell massage chairs and accessories outside of your territory; however, TCL will not offer or operate franchises under any other name that offer the same or similar products offered by OHL franchises.

ITEM 13 TRADEMARKS

We have used the name "OTA World®" since September 28, 2018, as shown on the front of this disclosure document. On June 9, 2020 we were granted the trademark on the Principal Register of the United States Patent and Trademark Office, Reg # 6073510. We have also used the name "Osaki®" since December 1, 2008, Reg # 4185942.

There are no presently effective determinations of the U.S. Patent and Trademark Office, the trademark administrator of any state court, regarding pending interference, opposition or cancellation proceedings involving any of the Proprietary Marks that might affect OHL's right to use any Proprietary Mark.

You are required to immediately notify OHL of any infringement or challenge to your use of the Proprietary Marks or claim by any person to any rights in any of the Proprietary Marks. You and your Principals are not permitted to communicate with any person other than OHL and OHL's counsel in connection with any such infringement, challenge, or claim. OHL has sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation or Patent and Trademark Office or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any

of the Proprietary Marks. You are required to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of OHL's counsel, be necessary or advisable to protect and maintain OHL's interests in any such litigation or Patent and Trademark Office or other administrative or other agency proceeding or to otherwise protect and maintain OHL's interest in the Proprietary Marks.

OHL is not obligated by the Franchise Agreement or any other agreement to protect any rights granted to you to use the Proprietary Marks or to protect you against claims of infringement or unfair competition with respect to them. However, although OHL is not contractually obligated to protect the Proprietary Marks or your right to use them, as a matter of corporate policy, OHL intends to defend the Proprietary Marks vigorously, and hold you harmless for such costs of defense of our trademarks.

OHL may require you to discontinue or modify your use of any of the Proprietary Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin if OHL, in its sole discretion, determines that such addition or substitution will be beneficial to the System. OHL will reimburse you for your direct out-of-pocket expenses incurred in such change up to a maximum amount of \$5,000.00.

You are required to comply with OHL's instructions in filing and maintaining the requisite trade name or fictitious name registrations and you must execute any documents deemed necessary by OHL or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of OHL's ownership in the Proprietary Marks.

Your rights to the Proprietary Marks granted in the Franchise Agreement are nonexclusive to you. OHL, therefore, has and retains, subject only to your rights and in your area, (see Item 12), certain rights with respect to the Proprietary Marks, including but not limited to the following rights:

1. To use and to grant other licenses for the use of the Proprietary Marks in addition to those licenses already granted to existing franchisees;
2. To develop and establish other systems using the Proprietary Marks or other names or marks and to use and to grant licenses or franchises of those systems or marks without having to provide any of those rights to you; and
3. To engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (1) the production, distribution, license and sale of products and services and (2) the use in connection with such production, distribution, license and sale, of the Proprietary Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs, and other identifying characteristics as may be developed or used from time to time by OHL.

You may not use the name "OTA World®" in any company name of yours, or in any state or municipal filing, but you may use a "dba" associated with our name.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents material to the franchise. We own the common law proprietary rights to information related to our business operations, and you agree that information you receive from us is highly confidential and is made available only because of the franchisor-franchisee relationship. You agree to refrain from divulging the information received from us to any person other than those involved in the operation of your franchise and who have a need to know the information. Our proprietary rights include but are not limited to the contents of the operations manual since it includes the components, requirements, duties, standards, procedures, policies and specifications pertaining to the OTA World® system and the operation of an OTA World® franchise. We also claim proprietary rights in other information, such as our promotions and marketing techniques, as well as in other materials that comprise a part of the OTA World® system. We make no guarantees as to the exclusive nature of all aspects of the OTA World® systems.

You must promptly tell us when you learn about the unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to your notification of unauthorized use as we think appropriate.

If you or your Principals develop any new concept, or improvement in the operation or promotion of the Store, you are required to promptly notify OHL and provide OHL with all necessary related information, without compensation. You and your Principals acknowledge that any such concept, process, or improvement will become the property of OHL and OHL may use or disclose such information to other franchisees as it determines to be appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require you to personally manage or operate your OTA World® Store. However, we do require that the person or persons (Store Manager and/or Sales Associate) who is/are managing or operating your OTA World® Store be properly trained. We require the person managing your business follow all the policies and procedures outlines in the OTA World® Operations Manual and to keep proprietary information confidential.

If you choose to employ a full-time Store Manager to oversee operations, we strongly suggest that you devote a substantial amount of time to your OTA World® franchise. In our experience, franchisees who do not devote their full attention to the operation and establishment of their business may have lower gross sales, higher operating costs and less profits than those franchisees who do devote their attention to the day-to-day operations of their OTA World® Store to ensure smooth and efficient operation.

You must designate and retain an individual to serve as the “Operating Principal” under the terms of the Franchise Agreement. You must designate your Operating Principal at the time of execution of the Franchise Agreement. The Operating Principal, who may be you or a Store Manager, must meet the following qualifications, unless otherwise mutually agreed in writing between you and OHL:

1. (a) If you are an individual, you must perform all obligations of the Operating Principal.
 - (b) If you are a corporation, the Operating Principal must (i) own at least fifty-one percent (51%) of the shares of each class of the issued and outstanding capital stock in the corporation and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require the corporation to take or omit to take any action which the corporation is required to take or omit to take under the Agreements.
 - (c) If you are a partnership, the Operating Principal must (i) own at least a fifty-one percent (51%) interest in the operating profits and operating losses of the partnership and at least fifty-one percent (51%) ownership interest in the partnership and at least a fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner, and (ii) be entitled under your partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partners of the partnership or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under the express terms of the Agreements.
 - (d) Except as may otherwise be provided in the Agreements, the Operating Principal's interest in you must remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest, or purchase right or options.

2. The Operating Principal is required to successfully complete OHL’s initial training program and devote full time and best efforts to the supervision and management of your Store, unless OHL, in its sole discretion, permits you to designate a Manager other than the Operating Principal to carry out the day-to-day management and supervision of the Store(s). If you operate two (2) or more Stores, you must appoint at least one (1) Manager per Store (as determined by OHL) to carry out the day-to-day management and supervision of each such Store. Any such Manager(s) must be appointed in a timely manner in order to satisfy each Manager's initial training obligation under the Franchise Agreement, and must be approved in writing by OHL. In addition, any Manager must devote full time and best efforts to the daily management and supervision of the Store. The Operating Principal may be required to execute one or more of the Agreements as one of your Principals and will be individually, jointly and severally bound by all of your obligations under the applicable Agreement.

3. The Operating Principal and any Manager must meet any other of OHL's standards and criteria for such positions, as set forth in the Manual or otherwise in writing by OHL. The Operating Principal and any Manager must satisfy the training requirements set forth in Section 4 of the Franchise Agreement (see also Item 11). If, during the term of the Franchise Agreement, the Operating Principal or any Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with the Franchise Agreement, you must promptly notify OHL and designate a replacement within thirty (30) days after the Operating Principal or Manager ceases to serve. Any replacement will be subject to the same qualifications listed above. You must provide for interim management of the Store until a replacement is designated, and this interim management must be conducted in accordance with the Franchise Agreement.

You are required to retain such additional Managers and other persons as OHL, in its reasonable discretion, deems necessary for the operation and management of the Store. All such personnel must satisfy OHL's educational and business criteria as provided to you in the Manuals or otherwise and must be individuals acceptable to OHL. These individuals must also satisfy the applicable training requirements in Section 9. of the Franchise Agreement.

You are also required to obtain the execution of covenants not to compete, including covenants applicable upon the termination of the person's relationship with you, from each of the persons defined in Section 12 of the Franchise Agreement as "your principals" and, if requested by OHL from each executive-level personnel employed by or affiliated with you and any holder of a beneficial interest of more than five percent (5%) of any class of your securities and those of any corporation directly or indirectly controlling you, if you are a corporation, (or of any corporate general partner and any corporation directly or indirectly controlling your general partner, if you are a partnership), who has received or will receive confidential information or training from OHL. Additionally, at the request of OHL, you must require any such personnel and interest holders (including applicable limited partners), to execute covenants that they will maintain the confidentiality of information they receive in connection with their relationship with you. These covenants must be substantially in the form attached to each applicable Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those massage chairs, accessories and products that we have approved.

From time to time, we may experiment with new products or methods at company-owned or franchised Stores. Based on the results of this testing, we may make changes to the OTA World® systems. We reserve the right to modify the systems as we deem appropriate.

You will be prohibited from conducting any other business or selling any other products in your OTA World® Store, other than those approved by us in advance.

You will be prohibited from selling our massage chairs, products or items to another vendor for resale or from selling our massage chairs, products or items at any location other than at your designated Store without obtaining written permission from us in advance.

You will be required to maintain Store hours by mutual written agreement, unless different hours are approved by us in advance in writing. You will be allowed to close on OHL approved holidays.

You are required to use the Store premises solely for the operation of the Store and must maintain business hours as provided for in the Manuals or as OHL may specify from time to time in writing. You may not use or permit the use of the premises for any other purpose or activity at any time without first obtaining the written consent of OHL.

To ensure that the highest degree of quality and service is maintained, you must operate the Store in strict conformity with such methods, standards and specifications as OHL may from time to time prescribe in the Manuals or otherwise in writing. You must maintain in sufficient supply and use and sell at all times only such massage chairs, products, supplies and paper goods that conform to OHL's standards and specifications or other written directives; and refrain from deviating from OHL's standards and specifications by the use or offer of non-conforming products, without OHL's prior written consent. You

are required to sell and offer for sale only such massage chairs, products and items as have been expressly approved for sale in writing by OHL (except a previously noted); to refrain from any deviation from OHL's standards and specifications without OHL's prior written consent; and to discontinue selling and offering for sale any massage chairs, products or items which OHL may, in its discretion, disapprove in writing at any time (see Item 9). You have sole discretion as to the prices to be charged for the sale of any massage chairs, products, and items.

OHL may make available at a reasonable cost and, at its option may require you to purchase from OHL for resale to your customers certain promotional merchandise identifying the System, such as promotional items (T-shirts, sweatshirts, caps, etc.) in amounts sufficient to meet your customer demand.

You are required to maintain competent, conscientious, and trained personnel to operate the Store in accordance with the appropriate Agreement you have signed and our Manual and to take such steps as are necessary to ensure that your employees preserve good customer relations, comply with such dress code as OHL may prescribe in the Manual or otherwise and observe reasonable standards of business conduct, grooming and cleanliness.

All advertising and promotion by you in any medium (Internet, print, broadcast media) must conform to the standards and specifications of OHL set forth in the Manual or otherwise and all advertising and promotional plans and materials must be approved by OHL prior to your use of such plans and materials.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the franchise 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	10 years
b. Renewal or Extension	2	If compliant, you may renew for another 10 year term upon payment of renewal fee, and having a viable leased location.
c. Requirement for Franchisee to renew or extend	2	You are not required to renew or extend your franchise. The terms may differ from your existing agreement.
d. Termination by Franchisee	2, 14	You may only terminate the franchise agreement if OHL fails to perform its duties, or under any grounds permitted by law. If at the end of the 10 year period, you choose to terminate the agreement, kindly provide us with 6 months advance notice in writing
e. Termination by Franchisor without cause	2, 14	We cannot arbitrarily terminate the agreement. If, after the 10 year period, we opt not to allow you to renew, we will notify you in writing at least 90 days in advance of the termination date
f. Termination by Franchisor with Cause	2, 14	If the defect is "curable," we will notify you in writing and provide with an opportunity to fix the problem. If the problem isn't fixed, we may then terminate the agreement. If the defect is "noncurable," then we will provide you with written notice of termination
g. "Cause" defined – curable defects	14	Failure to pay royalties or fees, under-reporting gross sales, failure to pay rent, violation of guidelines, failure to make improvements, failure to follow procedures
h. "Cause" defined – Noncurable defects	14	Abandonment, bankruptcy filing, insolvency, loss of permit or license to operate, fraud, felony or other crime, 4 or more curable defects within one year.
i. Franchisee's obligations on termination/nonrenewal	12, 14	No Store within 20 miles of any OTA World for 5 years. Discontinue use of trademarks and use of operations manual
j. Assignment of Contract by Franchisor	13	OHL may assign our rights to any person or entity that agrees in writing to assume all of our obligations.

k. "Transfer" by Franchisee, defined	13	Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by Franchisee	13	OHL reserves the right to approve all transfers, but we will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	3, 13	New franchisee qualifies, transfer fee is paid, training arranged, new franchisee signs current agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	13	OHL will have the right of first refusal
o. Franchisor's option to purchase Franchisee's business	14	If termination occurs, OHL may purchase the Store or its assets at fair market value,
p. Death or disability of Franchisee	13	OHL must be notified of death or disability, can manage location in interim
q. Noncompetition covenants during term of the Franchise	12	No competing business anywhere in the U.S.
r. Noncompetition covenants after the expiration or termination of franchise	12	No competing business within 25 miles of any current OTA World® location, for 2 years.
s. Modification of Agreement	2	Only in writing and signed by both parties
t. Integration/Merger	17	Any agreements outside of the franchise agreement may not be enforceable.
u. Dispute Resolution	14	If OHL is in default, you must request alternative dispute resolution prior to initiating litigation, subject to state law
v. Choice of Forum	16	Dallas County, Texas, unless subject to state law
w. Choice of Law	16	Texas, unless subject to state law

ITEM 18 PUBLIC FIGURES

OHL does not use any public figure to promote its franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting OHL at 1001 W. Crosby Lane, Carrollton, TX 75006, Phone: 214-505-2202, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

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	16	27	+11
	2022	27	23	-4
	2023	23	18	-5
	2021	0	0	0

Company-Affiliated	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	16	27	+11
	2022	27	23	-4
	2023	23	18	-5

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS FOR YEARS 2021 to 2023		
State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 to 2023								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by OHL	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	0	5	0	0	0	1	4
	2022	4	1	0	0	0	2	3
	2023	4	0	0	0	0	1	2
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Florida	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Maryland	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Michigan	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	0	2	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	2	2	0	0	0	1	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
New York	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Pennsylvania	2021	2	1	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Tennessee	2021	1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Texas	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	2	4
Virginia	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Washington	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
Total	2020	16	15	0	0	0	4	27
	2021	27	5	0	0	0	9	23
	2022	23	0	0	0	0	5	18

STATUS OF COMPANY-AFFILIATED 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
Texas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

PROJECTED OPENINGS AS OF JANUARY 1, 2024			
State	Franchise Agreement Signed but Outlet not Opened	Projected New Franchised Outlet in the next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	1	0
Colorado	0	1	0
Florida	0	1	0
Maryland	0	1	0
Michigan	0	1	0
Nevada	0	1	0
New Jersey	0	1	0
New York	0	1	0
Pennsylvania	0	1	0
Tennessee	0	1	0
Texas	0	1	0
Virginia	0	1	0
Washington	0	1	0
Total	0	14	0

The names, addresses and telephone numbers of all OTA World franchisees, as of January 1, 2024 are as follows:

AZ	OTA World - Mesa, AZ	Yongsook Paek	1919 W. Main St, Mesa, AZ 85201	253-426-8670
CA	OTA World - Rancho Cordova, CA	Misun Cheon	10947 Olson Dr. #406, Rancho Cordova CA 95670	714-315-1725
CA	OTA World - Brea, CA	Phil Lee	250 N Orange Ave, Brea, CA 92821	714-373-0369

FL	OTA World - Orlando, FL	Hyun Kwag	3191 W Colonial Dr, Orlando, FL 32808	267-475-4403
FL	OTA World - Brandon, FL	Seonock Kim	935 E Brandon Blvd., Brandon, FL 33511	201-737-0300
FL	OTA World - Orlando, FL	Myeongsook Jung	5108 W Colonial Dr., Orlando, FL 32808	407-285-1883
MI	OTA World - Troy, MI	James Lee	1446 W Maple Rd., Troy, MI 48084	224-578-2642
NJ	OTA World - Fort Lee, NJ	Seonok Kim	1550 Lemoine Ave #108, Fort Lee, NJ 07024	201-737-0300
NJ	OTA World - Englewood, NJ	Hyo J Park	12 E. Palisades Ave #2, Englewood, NJ 07631	347-804-3942
NV	OTA World - Las Vegas, NV	Hansung Kim	4955 S Durango Dr, Ste 115, Las Vegas, NV 89113	702-273-6366
PA	OTA World - King of Prussia, PA	Jong Seo Kim	690 King of Prussia Plaza #2076, King of Prussia, PA	215-713-8088
TX	OTA World - Carrollton, TX	Michael Cha	1303 Marsh Lane, Carrollton, TX 75006	888-848-2630
TX	OTA World - Lewisville, TX	Matthew Chun	2405 S Stemmons Fwy Ste 118, Lewisville TX 75067	469-713-3343
TX	OTA World - Killeen, TX	Rebecca Yu	714 S Fort Hood St Killeen TX 76541	254-394-0772
TX	OTA World - Plano, TX	Eddie Hsieh	1725 N Central Expy, Plano TX 75075	469-422-3649
VA	OTA World - Annandale, VA	Young Rae Kim	4239 John Marr Dr., Annandale, VA 22003	240-457-7542
WA	OTA World - Tacoma, WA	Yongsook Paek	8718 S Tacoma Way #H, Lakewood WA 98499	425-760-1773
WA	OTA World - Bellevue, WA	Jong Paek	15600 N. E. 8th St. Suite K12, Bellevue WA 98008	425-760-1773

The name and last known home address and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement, during the most recently completed fiscal year or who has not communicated with OHL within ten (10) weeks of the issuance date of this disclosure document, are as follows:

OTA World - Van Nuys, CA	Will & Jane Choi	17639-C Sherman Way, Van Nuys, CA 91406	213-660-6789
OTA World - Elkins Park, PA	Jong Seo Kim	7320 Old York Road, Elkins Park, PA 19027	215-713-8088
OTA World - Cordova, TN	Shi-yong Sung	5982 Mt. Moriah Rd, Memphis, TN 38115	901-305-5350
OTA World - Irving, TX	John Choi	3558 W. Airport Fwy, Irving TX 75062	972-399-0157
OTA World - Colleyville, TX	Heesoo Kim	5200 Colleyville Blvd, Colleyville, TX 76034	213-703-2012

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

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are currently no trademark-specific franchisee organizations associated with the System known to OHL.

ITEM 21 FINANCIAL STATEMENTS

The audited statements of December 31, 2021, December 31, 2022 and December 31, 2023 are attached to this disclosure document as Exhibit B. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

Attached to this disclosure document are the following Exhibits:

1. Franchise Agreement (Exhibit A)
2. Financial Statement (Exhibit B)
3. Operations Manual Table of Contents (Exhibit C)
4. State Administrators and Agents for Service of Process (Exhibit D)
5. Receipts (Exhibit E)

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23

RECEIPT

See attached Receipt at the end of this disclosure document (Exhibit E).

EXHIBIT B
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Management
OTA HEALTHMATE LLC
1001 W. Crosby Lane
Carrollton, TX 75006

We have audited the accompanying balance sheet of OTA Healthmate LLC as of December 31, 2021 and related statements of income, balance sheet, and cash flow statements for the year ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America.



Yil H. Han
Yil H. Han-C.P.A.
2625 Old Denton Rd. #508
Carrollton, TX 75007

February 2, 2022

OTA HEALTHMATE, LLC

Balance Sheet

As of December 31, 2021

December 31, 2021

ASSETS	2020	2021
Current Assets		
Cash Checking	\$ 472,583.78	\$ 63,583.00
Account Receivable	<u>308,605.99</u>	<u>308,605.99</u>
Total Current Assets	781,189.77	372,188.99
Property and Equipment		
Equipment & Machinery	3,550.00	3,550.00
Furniture & Fixtures	<u>7,500.00</u>	<u>7,500.00</u>
Total Property and Equipment	11,050.00	11,050.00
Other Assets		
Prepaid Expense – Inventory Purchase from OTA World		<u>705,383.15</u>
Suspense		
Total Other Assets		<u>705,383.15</u>
Total Assets	<u>\$ 792,239.77</u>	<u>\$ 1,088,622.14</u>
LIABILITIES AND EQUITY	2020	2021
Current Liabilities		
Credit Card Payable-Veritex 4646	<u>\$ 1,862.96</u>	
Total Current Liabilities	1,862.96	
Long-Term Liabilities		
Account Payable – OTA World, LLC	423,044.00	
Account Payable – Titan Chair, LLC – Admin Fee	<u>21,050.00</u>	<u>\$ 259,085.37</u>
Total Long -Term Liabilities	444,094.00	<u>259,085.37</u>
Total Liabilities	<u>445,956.96</u>	<u>259,085.37</u>
Stockholders' Equity		
Contributed Capital	50,000.00	50,000.00
Retained Earnings	42,238.65	398,930.24
Drawing	(1,590.81)	(106,338.31)
Net Income (Loss) – Y.T.D.	<u>255,634.97</u>	<u>486,944.84</u>
Total Stockholders' Equity	<u>346,282.81</u>	<u>829,536.77</u>
Total Liabilities & Equity	<u>\$ 792,239.77</u>	<u>\$ 1,088,622.14</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC

Income Statement

As of December 31, 2021

December 31, 2021

	2020	2021
Sales		
Sales	\$ 2,482,594.04	\$ 4,306,066.25
Sales Returns & Allowances		
Total Sales	<u>2,482,594.04</u>	<u>4,306,066.25</u>
Cost of Sales		
Purchases	2,140,201.85	2,583,639.75
Total Cost of Sales	2,140,201.85	2,140,201.85
Gross Profit	<u>342,392.19</u>	<u>1,722,426.50</u>
Operating Expenses		
Taxes		2,401.00
Contract Labor & Commission		
Repairs and Maintenance	537.90	
Travel and Entertainment	15,642.20	15,105.71
Other Operating Expenses	59,572.47	123,659.75
Administration Fee		1,076,516.56
Interest Expense		28.65
Freight		
Office Expenses	3,004.65	2,035.70
Legal & Professional	<u>8,000.00</u>	<u>10,794.29</u>
Total Operating Expenses	<u>86,757.22</u>	<u>1,230,541.66</u>
Advertising		<u>4,940.00</u>
Total Administrative Expenses		<u>4,940.00</u>
Total Expenses	<u>86,757.22</u>	<u>1,235,481.66</u>
Operating Profit (Loss)	<u>255,634.97</u>	<u>486,944.84</u>
Other Income (Expenses)		
Net Income (Loss)	<u>\$ 255,634.97</u>	<u>\$ 486,944.84</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC
Statement of Cash Flow
As of December 31, 2021

December 31, 2021

	2020	2021
OPERATING ACTIVITIES		
Net Income	\$ 255,635	\$ 486,945
Adjustments to reconcile Net Income to Net Cash in Operating Activities		
Depreciation and Amortization		
Accrued Expenses		
Accounts Receivable	(306,606)	
Capital	50,000	
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>255,635</u>	<u>486,945</u>
INVESTING ACTIVITIES		
Credit card payable	(1,863)	
Payment for Equipment		
Inventory		
Accounts Payable	(114,363)	185,009
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES	(116,226)	185,009
NET INCREASE IN CASH	<u>139,409</u>	<u>671,954</u>
Distributions	(60,433)	375,572
Prepaid Expenses		705,383
NET CASH FLOW FROM OPERATING & ACTIVITIES	<u>199,842</u>	<u>(409,001)</u>
CASH AT BEGINNING OF PERIOD	<u>272,742</u>	<u>472,584</u>
CASH AT END OF PERIOD	<u>\$ 472,584</u>	<u>\$ 63,583</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

OTA Healthmate LLC is engaged in selling sports and massage chairs in the United States of America generating all revenues from selling those chairs.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2021 was in the amount of \$308,605.99 from LA OTA World LLC.

Depreciation

The company equipment is carried at cost and depreciated using primarily double declining balance method which elects to treat all of the cost of certain qualifying equipment as capital expenditure.

Cash

All cash is maintained in a company checking account. The cash balance at banking institutions may, at time, exceed the Federal Deposit Insurance Corporation insured limit of \$250,000.00 per account.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. As such, actual results may differ from those estimates.

NOTE 3: LONG TERM DEBTS & SHORT TERM DEBTS

Accounts payable as of December 31, 2021 was \$259,085.00 to Titan Chair LLC one of suppliers of sports chairs.

INDEPENDENT AUDITOR'S REPORT

To the Management
OTA HEALTHMATE LLC
1001 W. Crosby Lane
Carrollton, TX 75006

We have audited the accompanying balance sheet of OTA Healthmate LLC as of December 31, 2022 and related statements of income, balance sheet, and cash flow statements for the year ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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



HanYil LLC
Yil H. Han-C.P.A.
2625 Old Denton Rd. #508
Carrollton, TX 75007

February 07, 2023

OTA HEALTHMATE, LLC

Balance Sheet

As of December 31, 2022

December 31, 2022

ASSETS	2021	2022
Current Assets		
Cash Checking	\$ 63,583.00	\$ 424,894.24
Account Receivable	<u>308,605.99</u>	<u>308,605.99</u>
Total Current Assets	372,188.99	733,500.23
Property and Equipment		
Equipment & Machinery	3,550.00	3,550.00
Furniture & Fixtures	<u>7,500.00</u>	<u>7,500.00</u>
Total Property and Equipment	11,050.00	11,050.00
Other Assets		
Prepaid Expense - Inventory Purchase from OTA World	<u>705,383.15</u>	<u>1,077,127.96</u>
Suspense		<u>240,000.00</u>
Total Other Assets	<u>705,383.15</u>	<u>1,317,127.96</u>
Total Assets	<u>\$ 1,088,622.14</u>	<u>\$ 2,061,678.19</u>
LIABILITIES AND EQUITY	2021	2022
Current Liabilities		
Credit Card Payable-Veritex 4646		
Total Current Liabilities		
Long-Term Liabilities		
Account Payable – OTA World, LLC		\$ 269,996.21
Account Payable – Titan Chair, LLC – Admin Fee	<u>\$ 259,085.37</u>	<u>672,706.47</u>
Total Long -Term Liabilities	<u>259,085.37</u>	<u>942,702.68</u>
Total Liabilities	<u>259,085.37</u>	<u>942,702.68</u>
Stockholders' Equity		
Contributed Capital	50,000.00	50,000.00
Retained Earnings	398,930.24	664,142.08
Drawing	(106,338.31)	(100,393.72)
Net Income (Loss) – Y.T.D.	<u>486,944.84</u>	<u>505,227.15</u>
Total Stockholders' Equity	<u>829,536.77</u>	<u>1,118,975.51</u>
Total Liabilities & Equity	<u>\$ 1,088,622.14</u>	<u>\$ 2,061,678.19</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC

Income Statement

As of December 31, 2022

December 31, 2022

	2021	2022
Sales		
Sales	\$ 4,306,066.25	\$ 3,334,240.66
Sales Returns & Allowances		(11,924.00)
Total Sales	<u>4,306,066.25</u>	<u>3,322,316.66</u>
Cost of Sales		
Purchases	<u>2,583,639.75</u>	2,000,544.40
Freight In (Purchase)		<u>424,506.93</u>
Total Cost of Sales	2,140,201.85	2,425,051.33
Gross Profit	<u>1,722,426.50</u>	<u>897,265.33</u>
Operating Expenses		
Taxes	2,401.00	2,417.00
Contract Labor & Commission		2,000.00
Repairs and Maintenance		171.88
Travel and Entertainment	15,105.71	10,024.79
Other Operating Expenses	123,659.75	562.11
Credit Card Service Fee		109,330.88
Administration Fee	1,076,516.56	67,027.41
Interest Expense	28.65	28.65
Freight		
178,739.76		
Office Expenses	2,035.70	1,220.99
Legal & Professional	<u>10,794.29</u>	<u>19,610.35</u>
Total Operating Expenses	<u>1,230,541.66</u>	<u>391,105.17</u>
Advertising	<u>4,940.00</u>	<u>933.01</u>
Total Administrative Expenses	<u>4,940.00</u>	<u>933.01</u>
Total Expenses	<u>1,235,481.66</u>	<u>392,038.18</u>
Operating Profit (Loss)	<u>486,944.84</u>	<u>505,227.15</u>
Other Income (Expenses)		
Net Income (Loss)	<u>\$ 486,944.84</u>	<u>\$ 505,227.15</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC
Statement of Cash Flow
As of December 31, 2022

December 31, 2022

	2021	2022
OPERATING ACTIVITIES		
Net Income	\$ 486,945	\$ 505,277.00
Adjustments to reconcile Net Income to Net Cash in Operating Activities		
Depreciation and Amortization		
Prepaid Expense		(371,745.00)
Accrued Expenses		
Accounts Receivable		
Capital		
Other Assets		(240,000.00)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>486,945</u>	<u>(106,518.00)</u>
INVESTING ACTIVITIES		
Credit card payable		
Payment for Equipment		
Inventory		
Accounts Payable	185,009	468,315.00
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES	<u>185,009</u>	<u>468,315.00</u>
NET INCREASE IN CASH	<u>671,954</u>	<u>361,797.00</u>
Distributions	375,572	5,944.00
Prepaid Expenses	705,383	
NET CASH FLOW FROM OPERATING & ACTIVITIES	<u>(409,001)</u>	<u>367,741.00</u>
CASH AT BEGINNING OF PERIOD	<u>472,584</u>	<u>57,153.00</u>
CASH AT END OF PERIOD	<u>\$ 63,583</u>	<u>\$ 424,894.00</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

OTA Healthmate LLC is engaged in selling sports and massage chairs in the United States of America generating all revenues from selling those chairs.

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2022 was in the amount of \$308,605.99 from LA OTA World LLC.

Depreciation

The company equipment is carried at cost and depreciated using primarily double declining balance method which elects to treat all of the cost of certain qualifying equipment as capital expenditure.

Cash

All cash is maintained in a company checking account. The cash balance at banking institutions may, at time, exceed the Federal Deposit Insurance Corporation insured limit of \$250,000.00 per account.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. As such, actual results may differ from those estimates.

NOTE 3: LONG TERM DEBTS & SHORT TERM DEBTS

Accounts payable as of December 31, 2022 were \$942,702.68. \$672,706.47 to Titan Chair LLC one of suppliers of sports chairs and \$269,996.21 to OTA World LLC, respectively.

INDEPENDENT AUDITOR'S REPORT

To the Management
OTA HEALTHMATE LLC
1303 Marsh LN.
Carrollton, TX 75006

We have audited the accompanying balance sheet of OTA Healthmate LLC as of December 31, 2023 and related statements of income, balance sheet, and cash flow statements for the year ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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



HanYil LLC
Yil H. Han-C.P.A.
2625 Old Denton Rd. #508
Carrollton, TX 75007

March 19, 2024

OTA HEALTHMATE, LLC

Income Statement

As of December 31, 2023

December 31, 2023

	2022	2023
Sales		
Sales	\$ 3,334,240.66	\$ 3,709,469.52
Sales Returns & Allowances	(11,924.00)	(8,684.07)
Total Sales	<u>3,322,316.66</u>	<u>3,700,785.45</u>
Cost of Sales		
Beginning Inventory		230,004.00
Purchases - Intercompany	2,000,544.40	1,280,976.36
Accrued Purchases		451,521.64
Freight In (Intercompany)	<u>424,506.93</u>	<u>213,541.43</u>
Total Cost of Sales	<u>2,425,051.33</u>	<u>2,176,043.43</u>
Gross Profit	<u>897,265.33</u>	<u>1,524,742.02</u>
Operating Expenses		
Salaries & Wages		99,277.28
Taxes	2,417.00	3,966.02
Contract Labor & Commission	2,000.00	79,152.75
Repairs and Maintenance	171.88	4,451.10
Travel and Entertainment	10,024.79	29,281.66
Other Operating Expenses	562.11	109,891.03
Credit Card Service Fee	109,330.88	
Administration Expenses	67,027.41	167,885.12
Interest Expense	28.65	
Freight		178,739.76
591,043.67		
Office Expenses	1,220.99	31,045.36
Legal & Professional	<u>19,610.35</u>	<u>47,732.44</u>
Total Expenses	<u>392,038.18</u>	<u>1,176,516.35</u>
Operating Profit (Loss)	<u>505,227.15</u>	<u>348,225.67</u>
Other Income (Expenses)		
Net Income (Loss)	<u>\$ 505,227.15</u>	<u>\$ 348,225.67</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC

Balance Sheet

As of December 31, 2023

ASSETS	2022	<u>December 31, 2023</u>
Current Assets		
Cash Checking	\$ 424,894.24	\$ 1,188,012.23
Account Receivable	<u>308,605.99</u>	<u>308,605.99</u>
Savings & Certificates of Deposit		1,000,000.00
Total Current Assets	733,500.23	2,188,012.23
Property and Equipment		
Equipment & Machinery	3,550.00	3,550.00
Furniture & Fixtures	<u>7,500.00</u>	<u>7,500.00</u>
Total Property and Equipment	11,050.00	11,050.00
Other Assets		
Prepaid Expense - Inventory from OTA World	1,077,127.96	0
Suspense	<u>240,000.00</u>	<u>0</u>
Total Other Assets	1,317,127.96	0
Total Assets	<u>\$ 2,061,678.19</u>	<u>\$ 2,199,062.23</u>
LIABILITIES AND EQUITY	2022	2023
Current Liabilities		
Accounts Payable – Easepal/iRest		<u>\$ 451,522.00</u>
Total Current Liabilities		451,522.00
Long-Term Liabilities		
Account Payable – OTA World, LLC	\$ 269,996.21	\$ 269,996.21
Account Payable – Titan Chair, LLC – Admin Fee	<u>672,706.47</u>	<u>672,706.47</u>
Total Long -Term Liabilities	942,702.68	942,702.68
Total Liabilities	<u>942,702.68</u>	<u>1,394,224.68</u>
Stockholders' Equity		
Contributed Capital	50,000.00	50,000.00
Retained Earnings	664,142.08	828,575.27
Drawing	(100,393.72)	(421,963.39)
Net Income (Loss) – Y.T.D.	<u>505,227.15</u>	<u>348,225.67</u>
Total Stockholders' Equity	<u>1,118,975.51</u>	<u>804,837.55</u>
Total Liabilities & Equity	<u>\$ 2,061,678.19</u>	<u>\$ 2,199,062.23</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE, LLC
Statement of Cash Flow
As of December 31, 2023

December 31, 2023

	2022	2023
OPERATING ACTIVITIES		
Net Income	\$ 505,277.00	\$ 348,225.67
Adjustments to reconcile Net Income to Net Cash in Operating Activities		
Depreciation and Amortization		
Prepaid Expense	(371,745.00)	
Accrued Expenses		451,522.00
Accounts Receivable		
Other Assets	(240,000.00)	
Inventory		230,004.00
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(106,518.00)</u>	<u>1,029,751.67</u>
INVESTING ACTIVITIES		
Accounts Payable	468,315.00	0.00
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES	<u>468,315.00</u>	<u>0.00</u>
NET INCREASE IN CASH	<u>361,797.00</u>	<u>361,797.00</u>
Distributions	5,944.00	5,944.00
Prepaid Expenses		
NET CASH FLOW FROM OPERATING & ACTIVITIES	<u>367,741.00</u>	<u>1,029,751.67</u>
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES		
Dividend		<u>(321,569.67)</u>
NET CASH FROM FINANCING ACTIVITIES		<u>(321,569.67)</u>
NET INCREASE IN CASH		708,182.00
CASH AT BEGINNING OF PERIOD	<u>57,153.00</u>	<u>1,479,830.23</u>
CASH AT END OF PERIOD	<u>\$ 424,894.00</u>	<u>\$ 2,188,012.23</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

OTA HEALTHMATE LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activities

OTA Healthmate LLC is engaged in selling sports and massage chairs in the United States of America generating all revenues from selling those chairs.

NOTE 2 Accounts Receivable

Accounts receivable as of December 31, 2023 was reduced to zero from \$308,605.99 from OTA World LLC.

Depreciation

The company equipment is carried at cost and depreciated using primarily double declining balance method which elects to treat all of the cost of certain qualifying equipment as capital expenditure.

Cash

All cash is maintained in a company checking account. The cash balance at banking institutions may, at time, exceed the Federal Deposit Insurance Corporation insured limit of \$250,000.00 per account.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. As such, actual results may differ from those estimates.

NOTE 3-LONG TERM DEBTS & SHORT TERM DEBTS

Accounts payable as of December 31, 2023 was \$672,706.47 to Titan Chair LLC one of suppliers of sports chairs and \$269,996.21 to OTA World LLC.

EXHIBIT C
OTA WORLD FRANCHISE OPERATIONS MANUAL*
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(5/1/19)

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EXHIBIT D

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. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Business Oversight:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

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

HAWAII

(agent for service of process)
Commissioner of Securities of the
Department of Commerce and Consumer
Affairs, Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

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

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

MARYLAND

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

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

MICHIGAN

(state administrator)
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) 373-7117

(agent for service of process)
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty St. 21st Floor
New York, New York 10005
212-416-8285

(agent for service of process)
Attn: 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

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Division of Securities
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9582

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S. Euclid Street, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

VIRGINIA

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

(agent for service of process)
Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)
Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

V41523

EXHIBIT A

OTA HEALTHMATE, LLC



FRANCHISE AGREEMENT

OTA WORLD FRANCHISEE INFORMATION

Date of This Agreement: _____

Owner of Franchise:

Business Name: _____

Type of business entity (check one) EIN# _____

___ Sole Proprietorship? ___ LLC? ___ Corporation? ___ Other? _____

Name of Individual Signing Agreement: _____

Title: _____ Percentage Ownership: ___

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone #: _____ Email: _____

Name of Individual Signing Agreement: _____

Title: _____ Percentage Ownership: ___

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone #: _____ Email: _____

Name of Individual Signing Agreement: _____

Title: _____ Percentage Ownership: ___

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone #: _____ Email: _____

Franchise Location: To Be Determined, unless known

Street Address: _____

City _____ State _____ Zip Code _____

OTA HEALTHMATE, LLC
Franchise Agreement
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ATTACHMENTS:

- A. Guarantee of Principals
- B. Sample Lease Rider

Please Note: Throughout this document, we may refer to you as “Franchisee” or “you.” This includes the business entity listed on “OTA WORLD FRANCHISEE INFORMATION” page, and all individuals signing this Franchise Agreement, as well as your employees, officers, directors, representatives or agents. When this document refers to “OTA HEALTHMATE,” “OHL,” “Franchisor,” “us,” “company” or “we,” this will include the OTA HEALTHMATE, LLC company office and any employee, officer, director, representative or agent of the OTA HEALTHMATE, LLC company office.

SECTION 1: GRANT OF LICENSE

This Franchise Agreement (the "Agreement") is made by and between OTA Healthmate, LLC, also known as and referred to in this Agreement as "OTA Healthmate" and/or "OHL" (the "Franchisor") and the individual(s) and/or business entity(ies) (the "Franchisee") set forth on page 1 of this Agreement, effective on the date signed by both parties. This Agreement is a non-exclusive license to operate an OTA World® Store, (a "Store"), (or Osaki® World, or Osaki® Outlet, whichever name is designated by OHL at their discretion, collectively referred to as OTA World®), and to use the OTA World® systems which include the conceptualization, design, specification, development, operations, marketing, products and use of trademarks and other intellectual property for the sale of proprietary and non-proprietary massage chairs and related products and promotions. However, Franchisee will control an exclusive territory, The typical exclusive territory may be 5 miles in radius, depending on factors such as population, income levels, home values, population growth, and other factors at the discretion of OHL. You may face some competition from other franchisees.

OHL retains the right to establish for each Store standards for the various aspects of the OTA World® system, including, but not limited to: the location; all physical characteristics and operating systems; all products and services sold; all qualifications of vendors and/or suppliers; all qualifications, organization, and training of Franchisees and their personnel; all marketing of products; and all other matters affecting the experience of consumers who patronize any OTA World® Store. OHL shall make said OTA World® system available to Franchisee in the OTA World® Operations Manual (the "Manual"), which may be updated from time to time, and in other forms of communication.

Franchisee has the right and responsibility to exercise day-to-day control over its business to meet those standards set forth in the Manual and in other forms of communication. However, at no time is OHL to be considered as a joint-employer of the Franchisee or Franchisee's employees. By signing below, Franchisee acknowledges full understanding of its commitment to that responsibility and the importance of its commitment to OHL and to other Franchisees, in order to promote the goodwill associated with the OTA World® system, and its well-established positive reputation, and its proprietary marks, including the name OTA World® and its signature trademarks. Franchisee accepts the obligation to operate its business in accordance with the standards of OHL and all other terms of this Agreement. OHL is relying upon the commitment of Franchisee to all responsibilities and obligations when granting this license and this Agreement shall be interpreted to give full effect to this paragraph.

Upon execution of this Agreement, OHL, hereby grants to Franchisee a limited license to use trademarks and other intellectual property of OTA Healthmate, LLC, solely in connection with the marketing and sale of massage chairs and other approved products. This license is non-exclusive and relates solely to the single location identified on page 1 of this Agreement.

OHL retains its right to operate and/or license other franchises to operate, OTA World® Stores at such locations and on such terms as it chooses, which may compete directly or indirectly with any OTA World® location, including, but not limited to, drawing clients from the area of the franchise license granted by this Agreement. However, it is the intent of the parties to this

Agreement for OHL to maintain an ongoing and continual advisory relationship with each Franchisee in order to help ensure the success of each Store location.

**SECTION 2:
BASIC TERMS OF AGREEMENT**

This Franchise Agreement shall be for a period of ten (10) years from the date signed by both Franchisee and OHL (“Initial Term”).

Option to Renew

Upon expiration of the Initial Term of this Agreement, Franchisee shall have the option to renew for additional ten (10) year terms, if the following conditions are met:

A. Franchisee must provide to OHL advance written notice of renewal not less than six (6) months or more than twelve (12) months from the expiration date of this Agreement. Failure to give advance written notice will result in an automatic expiration of this Agreement upon the ten (10) year anniversary of the Effective Date of this Agreement;

B. At the time written notice of renewal is received by OHL, Franchisee must not be in default of this Agreement and must be in compliance with all standards and procedures outlined in the then most current version of the Operations Manual and other forms of communication; and Franchisee must not have received any more than three (3) written notices of default from OHL during the entire Initial Term of this Agreement.

C. Franchisee must show that they have a current lease for the Store space equal to the renewal term of the Franchise, or Franchisee must have secured an alternate leased space approved by OHL, before the Franchise Agreement is renewed.

D. If all of the above conditions are met, a Renewal Agreement (“Renewal”) which shall be the then most current form of OTA World® Franchise Agreement shall be signed by the parties. The Renewal Fee may be up to one-half of the then current Franchise Fee, and any related legal review costs, and shall be payable, in full, at the time of signing the Renewal. The Renewal Fee is non-refundable under any circumstances. Any Renewal may require remodeling or updating the Store at that time. Required updates may include, but not be limited to, massage chair displays, office equipment, security systems, or any furniture, fixtures, equipment, or decoration that OHL deems reasonably necessary, as uniformly required of all renewing franchises.

If it is determined that Franchisee is not eligible for renewal of this Agreement, notification shall be provided in writing prior to the expiration of the Initial Term and no later than thirty (30) days after receipt of advance written notice of renewal from Franchisee. Franchisee may request a meeting to discuss the reasons for denial of eligibility to renew.

Deadline to Obtain Physical Location

A lease or sublease for a building suitable to become the OTA World® Store under this Agreement must be executed within one (1) year from the Effective Date of this Agreement. If a lease or sublease is not executed within said one (1) year period, this Agreement shall automatically expire and any fees paid hereunder shall be deemed earned and shall be nonrefundable.

An extension of the Deadline to Obtain Physical Location may be requested in writing, addressed to the OTA Healthmate corporate headquarters. One (1) extension of one-hundred eighty (180) days may be provided upon receipt of your request. There will be no fee charged for the first extension of time.

SECTION 3: FEES

Franchise Fee

There is no Franchise Fee.

Advertising Fee

You are required to pay an ongoing advertising fee of one percent (1%) of Gross Sales. Advertising Fees are payable monthly and are due on or before five days following the close of the prior business month. You may receive credit toward your advertising fee for corporate promotions, only pursuant to procedures established in the current OTA World® Operations Manual, which is subject to change at any time.

Local Advertising

You are required to spend five percent (5%) of your Gross Sales each month, on your own local advertising, which may include Internet, print, or other approved forms. All advertising must be approved by OHL before placement, without exception. You must account for such local advertising to OHL upon request.

Training Fees

If, after the initial training is complete, we deem it necessary to re-train you or your staff, you may be required to pay a fee for such additional training, as we deem appropriate. This fee would simply cover our cost in providing the additional training. These fees will be payable as billed and will be due thirty (30) days from the date of the invoice.

Audit Fees

You may be required to pay a fee for an audit of your financial records, as we deem appropriate. More information about audit fees can be found in the "Audit" section below. This fee is to cover our cost for an auditor to review your books, and will only be billed to you if either your financial

records are not in order when needed or if the amount you reported to us is underreported by at least two percent (2%). These Audit fees will be payable as billed and will be due thirty (30) days from the date of the invoice.

Additional Assistance Fees

You may be required to pay an Additional Assistance fee if you require more complex or intensive assistance than we have provided to other Franchisees, as we deem appropriate. This fee would simply cover our cost in providing a corporate representative to assist you with the assistance you require. We will notify you in advance if Additional Assistance fees will be necessary, and you will have the option to accept the fee and utilize our additional assistance or not. These fees will be payable as billed and will be due thirty (30) days from the date of the invoice.

Late Fees, Collections

If you are late in paying all or a portion of the fees or royalties owed for any given time period, then you must also pay us a reasonable late fee, as well as interest on the unpaid amount calculated from the date due until paid at the rate of one and one-half percent (1.5%) per month (18% per year), or the highest rate allowed by law, whichever is less. You must also pay all collection charges, including reasonable attorney's fees, incurred by us to collect the amounts that are due.

SECTION 4: TRAINING

Consistency within the OTA World® franchises and adherence to our established methods and procedures is imperative to the success of the franchise as a whole; therefore, OTA Healthmate takes the training of you and of your staff very seriously. As such, we require every person who signs the Franchise Agreement and every person who will be running the day-to-day operations of your Store to complete an intensive training program prior to the opening of your new franchise.

The mandatory training program is approximately one week, including both classroom and OJT, based on practical testing of understanding and application. Training will cover construction requirements, equipment, advertising, promotions, accounting and bookkeeping procedures, communications, operations management, personnel management, sales and problem solving. This training allows you to gain practical experience in Store management, sales and operations.

The training program is typically conducted one or two weeks prior to the opening of your new OTA World® Store. There is a classroom component and a hands-on component at one of the designated training locations. You and all of your total number of anticipated employees will need to attend all or a designated portion of the training program prior to opening.

You will be responsible for all of your own transportation and living expenses while the training is conducted. You will be responsible for salaries of any employees who are attending training. While attending the training program, you will be provided with an initial supply of business forms

and other related materials. If you would like to obtain additional forms and materials after training is completed, you may purchase them from us at a nominal cost.

If you already own a franchise and are purchasing a second or third location, you may request to have your training waived. However, you will still be required to have new personnel fully trained prior to the opening of the new Store location.

From time to time, we will have additional training programs, presented as workshops, seminars or by other means or methods. We will give you reasonable notification of this additional training. You and/or your designated employees are required to attend and complete these additional training programs, unless we mutually agree on other arrangements, in writing.

SECTION 5: STORE STANDARDS

You agree to maintain the Store in accordance with all of our standards, which are contained within the OTA World® Operations Manual. The OTA World® Operations Manual will be updated from time-to-time, and you will be expected to stay current with all changes.

Repair/Replacement

You agree to replace equipment as necessary or desirable at your sole cost and expense and to obtain at your sole cost and expense any new or additional display massage chairs, fixtures or décor as may be required by OHL. No alternations, improvements, or changes of any kind in design equipment or décor shall be made in or about the Store premises without the prior written approval of OHL. All reasonable repairs, replacements and maintenance of equipment, furniture, fixtures or décor shall be at your sole expense.

Modernization

In order to ensure the continued success of the OTA World® franchise, OHL may from time to time require you to modernize the building, premises and equipment, taking into account the cost and the remaining term of your Franchise Agreement. OHL shall only require such modernization if the company has required such standards and specifications in all OTA World® Stores.

Requirements of Lease/Sublease

When you sign a lease or sublease for the building that you will be occupying as your OTA World® Store, you agree to provide us with a true and correct copy of the lease. The lease shall have language expressly permitting any and all alterations necessary to meet OTA World® standards. The lease shall require the landlord to provide OHL reasonable notice of any contemplated termination and a reasonable time in which to cure any default. In addition, the lease must state that you have the right to assign the lease to OHL. A sample Lease Rider is attached to this Agreement.

SECTION 6: OPERATIONS

You agree to operate your OTA World® Store in accordance with all of our standards in the OTA World® Operations Manual. You understand that the OTA World® Operations Manual may be revised from time-to-time, and you will be expected to adhere to the standards in the most current version. Among other things, you agree to:

- a) Keep the Store open and in continuous operation for hours we prescribe, and use the Store and premises only as an OTA World® Store, unless we give written approval to do otherwise;
- b) Install and use only equipment, massage chairs, fixtures and signage that we approve, replace them as we may require and source them from approved suppliers;
- c) Install and use a computer system that we approve and whose information can be easily obtained by us for purposes of an audit;
- d) Use only supplies, materials, and other items that we approve, and source them from approved suppliers;
- e) Sell only massage chairs and related products, and other items which are approved by OHL;
- f) Maintain a sufficient supply of all approved products to meet customer demands at all times, unless you receive written approval to do otherwise;
- g) Place orders with approved suppliers at such times and in such manner as the suppliers prescribe.
- h) Hire employees of good moral character, and maintain properly trained employees to render quick, competent and courteous service to customers in accordance with our standards;
- i) Use only employees that also have literacy and fluency in the English language sufficient, in our opinion, to adequately communicate with customers;
- j) Refrain from selling any OTA World® products to any third party for resale without our prior written approval;
- k) Keep the OTA World® Operations Manual up-to-date and accessible in the Store, and make them available only to those of your employees who need access to them in order to operate the business, and to maintain the confidentiality of the Manual;
- l) Obey all laws; comply with all civil and criminal laws, ordinances, rules, regulations and orders of public authorities pertaining to the occupancy, operation and maintenance of the Store and premises, including those relating to safety, employment, public access and taxation;
- m) Permit our employees and agents to access the premises and your computer system and financial records, with or without advance notice during business hours to determine your compliance with standards in the OTA World® Operations Manual, and this Agreement or to conduct an Audit. During the course of any such inspection, we may photograph or video any part of the Store. We may select products, supplies, equipment and other items from the Store to evaluate whether they comply with our standards. We may require you to immediately remove non-conforming items at your expense and we may remove them at your expense if you do not remove them upon request; and
- n) Provide us with copies of any and all customer complaints relating to the Store or the premises, as well as any communications from public authorities about actual or potential violations of laws or regulations relating to the operation or occupancy of the premises.

SECTION 7: INSURANCE

Prior to opening or operating the Store, you must obtain comprehensive liability insurance coverage in the minimum amount of two million dollars (\$2,000,000), unless a higher amount is required under the terms of the lease or sublease or required under law. You must maintain such coverage in full force and effect throughout the duration of this Agreement. OHL should be listed as the "additional insured" and a copy of your declarations page shall be forwarded to the OHL corporate office each year upon renewal.

Insurance requirements may be increased by OHL during the term of this Agreement upon advance written notice by OHL to each Franchisee. You are not obligated to obtain insurance from any particular company recommended by OHL and are free to make your own arrangements for the required coverage.

SECTION 8: ADVERTISING

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

OHL shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Advertising Fee of one percent (1%) is intended to maximize general public recognition and acceptance of the Proprietary Marks and enhance the collective success of all Stores operating under the system. In administering the Fee, OHL and its designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising.

A. Internet, Website and Intranet.

1. OHL has established and plans to maintain an Internet website that provides information about the OTA World® concept and the products that Stores offer. OHL will have sole discretion and control over the website's design and contents. OHL will have no obligation to maintain the website indefinitely and may dismantle it at any time without liability to you.
2. The OTA World® website will include a series of interior pages that identify participating Stores by name, address, telephone number, and e-mail address. You will not have the capability to modify its page(s).
3. OTA Healthmate may use part of the Advertising Fee contributions that OTA Healthmate collects to maintain and further develop the website.
4. If you fail to pay when due any fees or other amounts payable to OTA Healthmate under this Agreement or otherwise as a result of the Store's operation, OTA Healthmate may temporarily

remove your information from the website until such time as you pay your outstanding obligation in full.

5. You will have no right, license or authority to use any of the Marks on or in connection with the Internet, except as stated in and permitted by this Section 8.

6. OTA Healthmate may, at its option, establish and maintain an Intranet through which franchisees of the OTA World® network of Stores may communicate with each other and through which OTA Healthmate may disseminate updates to the Operations Manual and other Confidential Information. OTA Healthmate will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to you.

7. OTA Healthmate will establish policies and procedures for the usage of Internet and Intranet by franchisees. These policies, procedures and other terms of use will address issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) restrictions on communications between or among franchisees that endorse or encourage breach of any franchisee's Franchise Agreement, (iii) confidential treatment of materials that OTA Healthmate transmits via the Internet and Intranet, (iv) password protocols and other security precautions, (v) grounds and procedures for OTA Healthmate suspending or revoking a franchisee's access to the Internet and/or Intranet, and (vi) a privacy policy governing OTA Healthmate's access to and use of electronic communications that franchisees post on the Internet and Intranet. OTA Healthmate expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of your access to either the Internet or Intranet, OTA Healthmate can technically access and view any communication that any person posts on either the Internet or Intranet. You further acknowledge that the Internet or Intranet facility and all communications that are posted to them will become OTA Healthmate's property, free of any claims of privacy or privilege that you or any other person may assert.

8. You agree to purchase and install all necessary additions to the Store's information system and to establish and continually maintain electronic connection with the Internet and Intranet that allows OTA Healthmate to send messages to and receive messages from you. Your obligation to maintain connection with the Internet and Intranet will continue until this Agreement's expiration or termination (or, if earlier, until OTA Healthmate dismantles either the Internet, website, or the Intranet).

9. If you fail to pay when due any amount payable to OTA Healthmate under this Agreement or otherwise as a result of the Store's operation, or if you fail to comply with any policy or procedure governing the Internet, website or Intranet usage, OTA Healthmate may temporarily suspend your access to any website, social media platform, chat room, or similar feature the Internet or Intranet includes until such time as you fully cure the breach and paid any outstanding fees due to OTA Healthmate.

B. Opening Advertising and Promotion. You shall plan and carry out a grand opening promotion relating to the opening of the Store in accordance with the Manual. Any advertising and promotional items used by you in connection with such grand opening must be approved by OTA Healthmate. You shall spend a minimum of Five Thousand Dollars (\$5,000) to Ten Thousand Dollars (\$10,000) in connection with such grand opening promotion. Any such amount paid by

you for the grand opening promotion shall not be credited toward any other obligation of yours as described in this Section 8.

C. Local Advertising. You shall, during the term of this Agreement, be responsible for local advertising and promotion of the Store, of five percent (5%) of Gross Sales monthly. The amount of your contribution to the local Internet advertisement shall be your sole obligation to expend sums for local advertising and promotion of the Store. You shall furnish to OTA Healthmate, upon request, invoices and supporting documentation evidencing your advertising expenditures.

D. Interactive Advertising. We advertise OTA World® products through a website we maintain. We have set up a "Store locator" page or header on the website showing the addresses and telephone numbers of Stores in the OTA World® network. You may not use the OTA World® name or trademarks on the Internet or social media in any other way.

You may not use electronic media to advertise your Store, including the Internet or mobile, without first obtaining our written consent and complying with any conditions and restrictions we wish to impose. We have no obligation to grant our consent. You must comply with our privacy policy, terms of use, social media policy, online standards, and editorial style guidelines.

E. Social Media. You are expected to understand and follow our Social Media guidelines. These guidelines will continually evolve as new technologies and social networking tools emerge. Emerging social media platforms for online collaboration are fundamentally changing the way our brand engages with our customers. We are dedicated to driving brand awareness and attraction through relevant content to help us build a stronger, more successful community of customers. Franchisees are strictly prohibited from creating social media pages on any social or networking website, including Facebook, Twitter, YouTube, Pinterest, Instagram, Foursquare, or any similar sites, without our prior written consent in each instance. We may withhold our consent for any reason. OTA Healthmate controls and maintains full administrative rights to all franchisees' social media pages, including the right to remove posts on any social media platform that OTA Healthmate believes, in its sole opinion, that such posts misrepresent the brand. Further, OTA Healthmate has the right to restrict or deny access to any Franchisee to social media pages if there are repeat offenses, including the right to take control and/or shut down such offending social media pages.

H. Advertising Cooperatives. OTA Healthmate has the sole right to authorize and establish local and regional Advertising Cooperatives. You are required to become a member of any such Advertising Cooperative in your local or regional market. If your market area does not yet have an established Advertising Cooperative, at such date when OTA Healthmate authorizes a new Advertising Cooperative in your market area, you will be furnished a copy of both a subscription agreement and the Bylaws for such newly formed Advertising Cooperative.

SECTION 9: INTELLECTUAL PROPERTY

The OTA World System

As a result of considerable expenditures of time, effort and money, OTA Healthmate has acquired experience and skill in the continued development of the OTA World® systems, which involves the conceptualization, design, specification, development, operation, and marketing of Stores for the sale of massage chairs, related products and promotions.

In connection with the OTA World® systems, Franchisor owns or has the right to license certain intellectual property. This property includes trademarks, service marks, logos, emblems, trade dress, trade names and slogans. Such proprietary marks, names, graphics may or may not be registered with the United States Trademark and Patent Office. From time to time, OHL may supplement or modify the list of intellectual property associated with the OTA World® system. OHL, in its sole and absolute discretion has the right to grant and modify the OTA World® systems.

You hereby acknowledge OHL's sole and exclusive right, except for the granting of licenses under existing and future Franchise Agreements, to use the OTA World® name, trademarks, trade secrets and other intellectual property. You agree to refrain from taking any action that would contest the validity, ownership or other action in derogation of rights claimed by OTA Healthmate.

Rights Granted to Franchisee

The license to the OTA World® system, along with all intellectual property, granted to you under this Agreement is non-exclusive. OHL, in its sole and absolute discretion, has the right to grant other licenses. OHL retains the right to develop and license other names and marks on any such terms and conditions as OHL deems appropriate.

You shall not use the trademarks in connection with any statement or material which may, in the judgment of the company, be in bad taste or inconsistent with the company's public image, or tend to bring disparagement, ridicule, or scorn upon the company.

Except as expressly permitted in writing by OHL, the license to use the OTA World® systems and associated intellectual property such as the information within the OTA World® Operations Manual, does not include any right or authority of any kind to sell massage chairs or related products outside your Store.

You shall adopt and use the trademarks only in a manner expressly approved by OHL, in advance of any use that has not already been approved by us in writing.

Goodwill

Any and all goodwill associated with or identified by the trademarks or intellectual property shall insure directly exclusively to the benefit of OHL, including without limitation any goodwill resulting from operation and promotion of your Store.

Changes to Intellectual Property

OHL shall have the right at any time to make additions to, deletions from, and changes in the trademarks, operations, all which additions, deletions and changes shall be as effective as if they were incorporated in this Agreement. All such additions, deletions and changes shall be in good faith, on a reasonable basis and with a view toward the overall best interest of the Stores. OHL will use its best efforts to protect and preserve the integrity and validity of the intellectual property, including the taking of actions deemed by the company to be appropriate in the event of any apparent infringement.

SECTION 10: RECORD KEEPING AND INSPECTION

You are required to keep business records in accordance with generally accepted accounting principles, as well as compile data to submit for weekly summaries (which will be submitted to OHL) showing the results of operations for the Store. If we specify additional records for periodic reporting, you agree to submit records as required.

You agree to keep all summaries, accounting records and books, sales and purchase documents, tax records, bank statements and deposit tickets, as well as all state and federal business tax returns for the preceding three (3) years.

Audit

OHL has the right to audit your financial records at any time for any reason or no reason at all. Within fifteen (15) days from our request, you agree to (a) photocopy and deliver to us those required records that we specify or (b) provide us access to any required records that we specify for examination and photocopying by us. We agree to keep any records you provide to us confidential, except as required by law or any legal proceeding.

Right to Inspect

You agree that OHL shall have the right at any time without notice to have its representative enter the facility to inspect the condition and operation of your Store for compliance with the standards, specifications requirements and instructions contained within this Agreement or within the then-current version of the OTA World® Operations Manual.

Audit Fee

You agree to pay the reasonable costs of such audit if either: (a) sales were underreported or (b) financial records are not available when requested. The Audit Fee will be billed separately and will be payable to OHL within 30 days.

SECTION 11: DEBTS AND TAXES

You shall pay promptly when due all obligations incurred directly in connection with your Store and its operation. This includes but is not limited to: taxes and assessments; lease payments; supplier payments; payroll obligations; payments for maintenance and improvement of the building, equipment, fixtures, signs, furnishings and other property; prompt payment of any liens and encumbrances created or placed upon any property of yours, as well as all accounts or other indebtedness of every kind and character incurred by or on behalf of you in the operation of your OTA World® Store.

SECTION 12: NON-COMPETE AGREEMENT

You acknowledge that, as our Franchisee, you will receive specialized training of OTA World® systems that is beyond your present skills and those of your employees. You further acknowledge that you will receive access to our confidential and proprietary information, including methods, practices and products that will provide a competitive advantage to you. As a condition of training you, sharing our confidential and proprietary information with you, and granting you a license to use our intellectual property, we require the following covenants in order to protect our legitimate business interests and the interest of other franchisees:

During the Term of the Agreement

During the term of this Agreement and during any subsequent renewals or extensions, neither you nor any shareholder, member, partner, officer, director or agent of yours, or any person or entity who is in active concert or participation with you, may have a direct or indirect interest in, perform any activities for, provide any assistance to, sell any approved massage chairs or products to or receive any financial or other benefit from any business or venture that sells massage chairs or products that are the same as or substantially similar to those sold in OTA World® Stores. Additionally, you may not divert or attempt to divert any OTA World® business or customers away from any OTA World® Store. You may not oppose the issuance of building permits or zoning variants or other governmental approval required for the development of another OTA World® Store or perform any act injurious or prejudicial to the goodwill associated with OTA World® system.

After Termination or Expiration of the Agreement

For the first two (2) years following the expiration or termination of this Agreement, or transfer of an interest in the franchised business (the “post-term” period), neither you nor any shareholder, member, partner, officer, director or agent of yours, or any person or entity acting in direct

concert with you, may have any direct or indirect interest in perform any activities for, provide any assistance to or receive any financial or other benefit from other business or venture that sells products that are the same as or substantially similar to those sold at OTA World® Stores and located within twenty-five (25) miles from the Store or any other OTA World® Store that is open or under development.

Remedies

You agree that a breach of the covenants contained in this section will be deemed to threaten immediate and substantial irreparable injury to OTA Healthmate and will give us the right to obtain immediate injunctive relief without limiting other rights that we might have. If a court or other tribunal determines that any section of this non-compete agreement is invalid or unenforceable then the time, geographical area and scope of activity restrained shall be deemed modified to the minimum extent necessary such that the restrictions shall be valid and enforceable.

SECTION 13: TRANSFER, SALE AND ASSIGNMENT

Transfer by OTA Healthmate

This Agreement inures to the benefit of OTA Healthmate's successors and assigns, and we may assign our rights to any person or entity that agrees in writing to assume all of our obligations. Upon transfer, we will have no further obligation under this Agreement, except for any accrued liabilities.

Transfer by You

You acknowledge that we entered into this Agreement based on the qualifications of the proposed owners of the franchise. The license to use the OTA World® system and all associated intellectual property cannot be transferred except as follows:

Transfer on Death

A. The franchise can transfer upon death, either by bequest or intestate succession, as long as within three (3) months, the deceased's legal representative must propose to us in writing to transfer the interest of the deceased to one or more transferees. The transferees would be required to agree in writing to assume the franchisee's obligations under this Agreement, and to attend the training program provided by OHL. Any such transfer must occur within one (1) year of your death. This Agreement shall automatically terminate if not transferred within one year of your death, unless we grant an extension in writing.

B. In the event of death or incapacity of all franchisees signing this Agreement, you may grant authority for OTA Healthmate to step in and run the business until the proposed transferee can be trained and can take over operations. You agree that a reasonable fee may be charged for the provision of management services by OHL.

C. We highly recommended that each franchisee have a current and updated estate plan in place and that you regularly communicate with involved parties regarding your wishes.

Third Party Purchasers

You can sell your remaining interest in the franchise only under the terms and conditions set forth in this section.

First, you must communicate with OHL regarding any proposed sale of the franchise. You must disclose the name and address of any proposed transferee, at least 30 days prior to the signing of any document or the exchange of any money, to ensure that the proposed transferee receive the then-most current version of the OTA World® Franchise Disclosure Document. A Letter of Intent from the proposed purchaser must be received by OHL at least thirty (30) days prior to the signing of any Asset Purchase Agreement.

A Right of First Refusal must be provided to OHL, under the same terms and conditions contained in the proposed transfer. You must provide OHL with a fully executed copy of the offer, letter of intent or purchase agreement, and OHL will have thirty (30) days from receipt to notify Franchisee whether the right is being exercised. OHL may purchase the interest or assign our right without recourse to any nominee who will purchase the interest directly from you.

If OHL does not exercise the right of first refusal, the proposed transfer may only proceed under these circumstances:

1. The proposed transferee must provide documentation of a satisfactory credit rating, moral character and background check;
2. The proposed transferee must sign an agreement to assume responsibility for the OTA World® franchise. The proposed transferee must acknowledge under oath that he or she received the then-current OTA World® Franchise Disclosure Document at least 14 days prior to the transfer of the franchise;
3. The proposed transferee must assume all real estate obligations;
4. The proposed transferee must assume all other financial obligations which may occur with the selling of the franchise;
5. All outstanding debts and/or liens on the Store, including sales taxes, must be paid prior to transfer. Proof must be provided to franchisor;
6. A five thousand dollar (\$5,000.00) transfer fee must be paid to OHL by Seller within thirty (30) days of the transfer;
7. The OTA World® Store must be brought into full compliance with the standards in the then-current version of the OTA World® Operations Manual within ninety (90) days of the transfer; and
8. The transferee must satisfactorily complete the training program.

OHL will not unreasonable withhold consent to transfer as long as all of the conditions in this subsection are met.

SECTION 14: TERMINATION

Termination by the Franchisee

You are not granted the right to terminate this Agreement at any time, for any reason. If you feel that we are in default in the performance of any term of condition of this Agreement, you agree to provide us written notice by certified mail of any alleged default within fifteen (15) days of the occurrence of said default. Your notice will clearly specify each act or omission constituting the default and will provide a reasonable period of time to correct such default. If, after thirty (30) days after notification, said default is still not cured, then the franchisee must demand an alternative dispute resolution procedure prior to initiating litigation. Any alleged default shall be deemed cured if you do not demand an alternative dispute resolution procedure within 60 days of the date of the alleged default. Franchisee may terminate under any grounds permitted by law.

Termination by OHL

OHL may terminate this Agreement in two circumstances: 1.) immediate termination, if a non-curable default exists; or 2.) if a curable default exists, and such defect has not been corrected to the satisfaction of OHL after written notice and a reasonable opportunity to correct curable the problem.

1. Non-Curable Defaults

A non-curable default includes:

- a. Abandonment of the Store, defined as a failure to operate the Store for a period of fourteen (14) consecutive days or more;
- b. You file a petition in bankruptcy, are adjudicated bankrupt, or an involuntary petition is filed against you;
- c. You become insolvent and make an assignment for the benefit of creditors;
- d. A receiver is appointed or other custodian of your business assets;
- e. Any real or personal property of your business is sold at levy;
- f. You or any of your owners, directors or officers commit a crime involving moral turpitude, or any other crime or offense that is injurious to the OTA World® name or goodwill regardless of whether a conviction occurs;
- g. You or your owners, officers or directors commit a fraud upon us or a third party relating to your franchise; or
- h. The existence of three or more curable defects within a one (1) year time period, regardless of whether the defects were cured.

In the event of a non-curable default, Franchisor may provide a written notice of termination within seventy-two (72) hours of discovery of the default.

2. Curable Defaults

Curable defaults may include, but are not limited to:

- a. Use of the business location for any unauthorized purpose;

- b. Failure to comply with the policies and procedures outlined in the OTA World® Operations Manual;
- c. Failure to pay any other amount owing under this Agreement, including but not limited to advertising fees, audit fees, or additional assistance fees;
- d. Default under the terms of the lease or sublease of the premises;
- e. Loss of any permit or license required to operate a Store;
- f. Failure to cure any situation that poses an imminent risk to public safety; or
- g. Any other issue which, in the opinion of OHL, negatively impacts our goodwill and/or reputation.

In the event of a Curable Default, then OHL will provide you with immediate notice via telephone, email or other electronic communication. You must immediately acknowledge receipt of the notice and take immediate steps to correct the problem. If you have not taken immediate steps to correct the problem, OHL will provide a written notice of default to you. Once written notice is sent, a reasonable opportunity will be provided to correct the problem. Reasonable depends on the circumstances, but 24 hours is presumed reasonable to fix an issue that relates to public health or sanitation, seven days is presumed reasonable to fix an issue related to the violation of any policy or procedure in the OTA World® Operations Manual, and thirty (30) days is presumed reasonable to fix any issue related to the payment of debts or amounts due under this Agreement.

If, after reasonable notice is provided to correct the default, and such default is not corrected to the satisfaction of OHL, OHL will provide Notice of Termination as described below. Likewise, if you correct a Curable Default, OHL will provide written notification to you that such default has been cured.

Notice of Termination

Any necessary notice of termination of this Agreement will be provided in writing to all individuals who have signed this Agreement, and mailed via certified mail to all addresses listed on page 2 of this Agreement. When you receive notice of termination of this Agreement, you must immediately cease and desist from operations as an OTA World® franchise.

Upon termination, or expiration of this Agreement, you will no longer have any rights granted to you under this Agreement. You must pay all money owed under this Agreement, including any late fees and interest, within thirty (30) days. You must immediately cease operation of the Store and no longer represent yourself to the public as our franchises. You must immediately cease all use of our proprietary marks, trade secrets, confidential information and use of the OTA World® Operations Manual, and cease to participate directly or indirectly in the use or benefits of our system. You must, within ten (10) days, return all originals and copies of the OTA World® Operations Manual, plans, specifications and all other materials of ours in your possession relating to the operation of the Store, all of which you acknowledge to be our property.

Upon our request and within thirty (30) days from the date of termination, you agree to: 1.) Sell us any or all of the massage chairs, fixtures, products, and equipment at its then-current fair market value, less any indebtedness on the equipment or indebtedness to us; 2.) Assign to us any leasehold interest you have in the Store and premises or any other agreement related to the

premises; and/or 3.) Remove all indicia of our proprietary marks and make such modifications to the premises as to distinguish the facility from other Stores within our system.

If you dispute the termination, you must mail OHL a written request that the dispute be resolved through alternative dispute resolution (ADR), prior to initiating litigation.

Your Continuing Obligations

For two (2) years following the termination of this Agreement (the “post-term” period), neither you nor any shareholder, member, partner, officer, director or agent of yours, or any person or entity acting in direct concert with you, may have any direct or indirect interest in perform any activities for, provide any assistance to or receive any financial or other benefit from other business or venture that sells massage chairs or products that are the same as or substantially similar to those sold at OTA World® Stores and which are located within twenty-five (25) miles from the Store or any other OTA World® Store that is open or under development at the time of termination.

SECTION 15: INDEMNIFICATION

You will indemnify and hold OHL, as well as our respective members, officers, directors, employees, agents and representatives harmless from all claims related in any way to your operation, possession or ownership of the Store or the premises, or any debt or obligation of yours. This indemnification covers all fees (including reasonable attorney’s fees), costs, and other expenses incurred by us or on our behalf in the defense of any claims, and shall not be limited by the amount of insurance required under this Agreement. Our right to indemnity shall be valid notwithstanding that joint or concurrent liability may be imposed on us by statute, ordinance, regulation or other law. We will notify you of any claims covered by this paragraph and you shall have the opportunity to assume the defense of the matter. We shall have the right to participate in any defense that is assumed by you, at our own cost and expense. No settlement of any claim against us shall be made without our prior written consent if we would be subjected to any liability not covered by you or your insurer. OHL indemnifies you, your respective members, officers, directors, employees, agents and representatives against any claim or action arising from the actions and/or operations of OHL, and/or the OTA World® Franchise System.

SECTION 16: MISCELLANEOUS

1. **MODIFICATION TO FRANCHISE AGREEMENT:** This Franchise Agreement may only be modified if in writing and signed by all parties to this Agreement.

2. **MODIFICATIONS TO OPERATIONS MANUAL:** OHL may modify the OTA World® Operations Manual at any time for any reason and in its sole discretion, as it deems necessary due to competitive factors, protection of trademarks and intellectual property, or to improve the quality of products or services provided by OHL. All parties to this Agreement shall receive notice of any such modification of the OTA World® Operations Manual and will have a reasonable period within which to make adjustments of changes in order to comply with the newly enacted

policies and procedures. Modifications will be made applicable to all franchisees and will not alter the rights of either party under this Agreement.

3. **CONSTRUCTION AND SEVERABILITY:** If any part of this Agreement shall for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions shall remain in full force and effect as if this Agreement has been executed with such invalid portion eliminated.

4. **GOVERNING LAW / VENUE:** To the extent that the laws of the State of Texas do not conflict with federal franchise investment statutes, rules or regulations, Texas law shall apply to the construction and enforcement of this Agreement. Venue for Enforcement shall be the District Courts of Dallas County, Texas.

5. **NOTICES:** All notices and other communications required to be given in writing shall be deemed given when delivered in person or mailed by certified mail. Unless a change of address is provided to all parties to this Agreement, notices to Franchisee shall be provided at the addresses listed on page 2 of this Agreement. Notices to Franchisor shall be given at this address: OTA Healthmate, LLC, 1001 W. Crosby Lane, Carrollton, TX 75006.

6. **TERMS AND HEADINGS:** All terms in this Agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number singular or plural and any other gender as the context may require. The headings inserted in this Agreement are for reference purposes only and shall not affect the construction of this Agreement or limit the generality of any of its provisions.

7. **ENTIRE AGREEMENT:** This Agreement and the documents referred to constitute the entire Agreement of the parties and supersedes and cancels any and all prior and contemporaneous agreements, understandings, representations and statements of the parties. The parties expressly acknowledge that they are entering into this Agreement voluntarily, without any inducement and as a result of their own independent investigation and after consultation with their own attorney. Neither party is relying on any representation of the other or any third party to this Agreement.

8. **FRANCHISE DISCLOSURE DOCUMENT:** You expressly acknowledge that you have received a copy of the most current OTA World® Franchise Disclosure Document at least fourteen (14) days prior to the signing of this Agreement. The Franchise Disclosure Document is included in and made a part of the terms and conditions of this Franchise Agreement.

SECTION 17: ACKNOWLEDGMENTS

A. This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

B. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

C. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement on the day and year written below:

OTA HEALTHMATE, LLC (“OHL”):

(Signature of Authorized Officer, Title) (Date)

(Print Name of Authorized Officer)

YOU:

(Corporation, Company or Partnership Name, if applicable)

(Signature of Individual, Authorized Officer or Partner) (Date)

(Print Name)

YOU:

(Corporation, Company or Partnership Name, if applicable)

(Signature of Individual, Authorized Officer or Partner) (Date)

(Print Name)

**ATTACHMENT A:
GUARANTY OF YOUR PRINCIPALS**

Each of the undersigned acknowledges and agrees as follows:

1. Each has read the terms and conditions of this Franchise Agreement and acknowledges that the execution of this guaranty and the undertakings of your Principals in the Franchise Agreement are in partial consideration for the granting of this franchise, and that OHL would not have granted this franchise without the execution of this guaranty and such undertakings by each of the undersigned;
2. Each is included in the term “your Principals” as described in Section 25(F) of the Franchise Agreement;
3. Each individually, jointly and severally makes all of the covenants, representations and agreements of your Principals set forth in the Franchise Agreement and is obligated to perform thereunder; and
4. Each individually, jointly and severally unconditionally and irrevocably guarantees to OHL and its successors and assigns that all of your obligations under this Agreement will be punctually paid and performed. Upon default by you or upon notice from OHL, which remains uncured after all applicable cure periods, each will immediately make each payment and perform each obligation required of you under this Agreement. Without affecting the obligations of any of your Principals under this guaranty, OHL may, without notice to your Principals, waive, renew, extend, modify, amend or release any of your indebtedness or obligation, or settle, adjust or compromise any claims that OHL may have against you. Each of your Principals waives all demands and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by you, any default by you or any guarantor, and any release of any guarantor or other security for this Agreement or your obligations, OHL may pursue its rights against any of your Principals without first exhausting its remedies against you and without joining any other guarantor hereto and no delay on the part of OHL in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by OHL of any right or remedy shall preclude the further exercise of such right or remedy. Upon receipt by OHL of notice of the death of any of your Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under this Agreement existing at the time of death, and in such event, the obligations of your remaining Principals shall continue in full force and effect.

Additionally, with respect to the individual designated as Operating Principal, Operating Principal acknowledges that the undertakings by Operating Principal under this Agreement are made and given in partial consideration of, and as a condition to, OHL grant of rights to operate the Store as described herein; Operating Principal individually, jointly and severally makes all of the covenants, representations and agreements of Operating Principal and you set forth in this Agreement and is obligated to perform hereunder:

YOUR PRINCIPALS:

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

Place an (*) next to the person to denote your Operating Principal

**ATTACHMENT B:
SAMPLE LEASE RIDER**

This Lease Rider is made and entered into this __ day of _____, 20__ by and between OTA Healthmate, LLC, a Texas Limited Liability Company (hereinafter referred to as "OHL" _____ ("you") and _____ ("Landlord").

WHEREAS, you and OHL are parties to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement");

WHEREAS, you and Landlord desire to enter into a lease (the "Lease") pursuant to which you will occupy the premises located at:

_____ (the "Premises") for an OTA World® Store (the "Store") franchised under the Franchise Agreement; and

WHEREAS, as a condition to entering into the Lease, you are required under the Franchise Agreement to execute this Lease Rider along with the Landlord and OHL.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein and in the Franchise Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Store.
2. Landlord consents to your use of such proprietary marks and signs, decor items, color schemes and related components of the OTA World® Franchise System as OHL may prescribe for the Store.
3. Landlord agrees to furnish OHL with copies of any and all letters and notices sent to you pertaining to the Lease and the Premises, at the same time that such letters and notices are sent to you.
4. OHL shall have the right to enter the Premises to make any modification or alteration necessary to protect the OTA World® Franchise System and proprietary marks or to cure any default under the Franchise Agreement entered into between OHL and you or under the Lease, without being guilty of trespass or any other crime or tort.
5. You shall be permitted to assign the Lease to OHL or its affiliates or subsidiaries upon the expiration or earlier termination of the Franchise Agreement and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment.
6. In the event of such assignment, OHL or any affiliate or subsidiary designated by OHL will agree to assume from the date of assignment all your obligations remaining under the Lease,

and in such event OHL or any affiliate or subsidiary shall assume your occupancy rights, and the right to sublease the Premises, for the remainder of the term of the Lease.

7. You and Landlord agree not to assign the Lease or renew or extend the term thereof without the prior written consent of OHL.

8. You and Landlord agree not to amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of OHL.

9. The terms of this Lease Rider will supersede any conflicting terms of the Lease.

IN WITNESS WHEREOF, the parties have executed this Lease Rider as of the date first above written.

OTA HEALTHMATE, LLC (“OHL”)

(Signature of Authorized Officer, Title)

(Print Name of Authorized Officer)

YOU:

(Corporation, Company or Partnership Name, if applicable)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

LANDLORD:

(Corporation, Company or Partnership Name, if applicable)

(Signature of Individual, Authorized Officer or Partner)

(Print Name)

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	May 5, 2023
Hawaii	March 27, 2023
Illinois	April 26, 2023
Indiana	August 31, 2023
Maryland	June 15, 2023
Michigan	March 29, 2023
Minnesota	May 9, 2023
New York	August 2, 2023
North Dakota	
Rhode Island	September 2, 2023
South Dakota	
Virginia	October 10, 2023
Washington	June 30, 2023
Wisconsin	April 28, 2023

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 E
ITEM 23
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If OHL 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.

If OHL does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on page iii in the front of this document.

The Franchisor is OTA Healthmate, LLC (“OHL”), located at 1001 W. Crosby Lane, Carrollton, TX 75006.

The name, principal business address and telephone number of the franchise broker, if offering this franchise is: Franchise Associates, LLC 13770 Noel Road #802216, Dallas, TX 75380, Ph. 214-505-2202.

OHL authorizes Michael Cha, 1001 W. Crosby Lane, Carrollton, TX 75006 to receive service of process.

I received a disclosure document dated April 15, 2024 that included the following Exhibits:

- A. Franchise Agreement
- B. Financial Statement
- C. Operations Manual Table of Contents
- D. State Administrators and Agents for Service of Process
- E. Receipts

Date of Receipt: _____
(Do not leave blank)

Individually, or as an Officer of (a _____ Corporation), or (a _____ Partnership):

(Signature)

(Print Name)

Please sign and return one copy of this Receipt to OHL, and keep one copy for yourself.

EXHIBIT E
ITEM 23
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Date of Receipt: _____
(Do not leave blank)

Individually, or as an Officer of (a _____ Corporation), or (a _____ Partnership):

(Signature)

(Print Name)

Please sign and return one copy of this Receipt to OHL, and keep one copy for yourself.