FRANCHISE DISCLOSURE DOCUMENT

The Woodhouse SPAS, LLC
a Texas limited liability company
300 Union Boulevard, Suite 600
Lakewood, Colorado 80228
Phone: 303-884-8647
legal@radianceholdings.com
www.woodhousespas.com

As a Woodhouse Spa franchisee, you will establish and operate a franchised business that provides massage therapy, facials, pedicures, manicures, and body treatments and offers and sells various lines of retail products under the "Woodhouse Day Spa," "Woodhouse Spa," and "Woodhouse" trade names and business system.

The total investment necessary to begin operation of one Woodhouse Day Spa franchised business ranges from $1,336,897 to $2,022,969. This includes $75,000 that must be paid to the franchisor or its affiliate(s). If you sign a development agreement to develop two to ten franchised businesses, you must also pay a development fee of $60,000 to $340,000 in addition to the initial franchise fee for the first franchised business to be developed under the development agreement. No initial franchise fee will be due for each subsequent franchised business to be developed under the development agreement. You must develop two to ten franchised businesses under a development agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact John Pantera at 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228 and 617-314-1723.

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

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

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

Issuance Date: April 30, 2026

How to Use This Franchise Disclosure Document

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

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by mediation or litigation only in Colorado. 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 Colorado than in than in your own state.

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

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

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

ADDENDUM TO THE WOODHOUSE SPAS LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

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

(h) a provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide

third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

The address for notices to the Michigan Attorney General is: Department of the Attorney General Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 1st Floor, 525 W. Ottawa Street, Lansing, MI 48909; 517-373-7117.

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

To simplify the language in this disclosure document, the terms "we," "us," "our," or "franchisor" mean The Woodhouse SPAS, LLC ("Woodhouse Day Spa," "Woodhouse," or "Woodhouse Spa"). We refer to the person interested in buying the franchise as "you" or "your." If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. We may refer to the businesses franchised under the mark "The Woodhouse Day Spa," "Woodhouse Spa," and "Woodhouse" each as a "Spa" or collectively "Spas."

The Franchisor, and any Parents, Predecessors, and Affiliates

We were initially incorporated in Texas on March 21, 2003, as The Woodhouse SPAS Corporation, and effective June 30, 2020, converted to a Texas limited liability company as part of a corporate restructuring. Our principal business address is 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228. We do business under our corporate name and under the name "Woodhouse," "The Woodhouse Spa," and "The Woodhouse Day Spa". Our agent for service in Texas is CT Corporation System with a principal address of 1999 Bryan Street, Suite 900, Dallas, Texas 75201. Our agents for service of process in the states which require franchise registration are listed in Attachment B.

We sell franchises for day spa businesses that do business under the mark "The Woodhouse Day Spa," "Woodhouse Spa," and "Woodhouse" (collectively, "Spas"). We began offering franchises on August 21, 2003. We are not engaged in any other businesses and have never offered franchises in any other lines of business. We do not operate any Woodhouse Day Spas.

We are a wholly-owned subsidiary of Woodhouse Gathering, LLC, which is a Delaware limited liability company formed on June 11, 2020. Woodhouse Gathering, LLC acquired all of the equity ownership interests in The Woodhouse SPAS, LLC on July 2, 2020. Woodhouse Gathering, LLC shares our principal business address. Woodhouse Gathering, LLC has never offered franchises in this or any other line of business.

Woodhouse Gathering, LLC owns all of the membership interest in Do What You Love I, LLC ("DWYL I"), Do What You Love II, LLC ("DWYL II"), and WH Denver, LLC ("WH Denver"). Since May 2016, DWYL I and DWYL II have each owned and operated one (1) Spa each in San Antonio, Texas, and since August 2022 WH Denver has owned two (2) Spas in Colorado ("Company-Owned Spas"). DWYL I, DWYL II, and WH Denver have never offered franchises in this business or any other line of business. DWYL I, DWYL II, and WH Denver share our principal place of business.

Woodhouse Gathering, LLC is a wholly-owned subsidiary of Radiance Borrower, LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Radiance Intermediate, LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Radiance Parent, LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of Radiance Holdings, LLC (formerly known as Sola Holdco, LLC), a Delaware limited liability company formed on August 30, 2018. Radiance Borrower, LLC, Radiance Intermediate, LLC, Radiance Parent, LLC, and Radiance Holdings, LLC, which each share our principal business address, have never offered franchises in this business or any other line of business.

Radiance Holdings, LLC is majority owned by TSG9 Glow Group Holdings 2 L.P., a Delaware Limited Partnership with its principal place of business at 4 Orinda Way, Suite 150-B, Orinda, California 94563. Our ultimate parent is TSG9 L.P., a Cayman Islands exempted limited partnership, with its principal place of business at 1100 Larkspur Landing Circle, Suite 360 Larkspur, California 94939. TSG9 Glow Group Holdings 2 L.P. and TSG9 L.P. have never offered franchises in this business or any other line of business.

Radiance Borrower, LLC is also the parent company of our affiliates, Sola Franchise, LLC ("Sola Franchising"), Radiance Distribution LLC, and Sola Salon Studios LLC ("SSS LLC"). Sola Franchising offers franchises that license individual turn-key salon studios to independent salon professionals under the

trade name "Sola Salon Studios" or "Sola Salons" using a unique system of build-out ("Sola Franchises"). Sola Franchising is a Colorado limited liability company formed on January 2, 2018. Sola Franchising offers Sola Franchises under the name "Sola Salon Studios" or "Sola Salons" since February 2018. Sola Franchising's predecessor and former parent, Sola Franchise Corporation n/k/a Let's Ride Corporation ("SFC"), was incorporated under the laws of Colorado on March 31, 2005. SFC offered Sola Franchises from March 2005 until December 31, 2017. Sola Franchising acquired substantially all of SFC's franchise assets and assumed all of SFC's existing franchise agreements on January 19, 2018. Sola Franchising does not do business under any other name. Sola Franchising shares our principal business address. Sola Franchising has never offered franchises in any other line of business. As of December 31, 2025, there were 744 Sola Salons operating in the United States (677 franchisee owned and 67 company-owned). Sola Franchising has not engaged in any other type of business activity.

Our affiliate, SSS LLC, is a Colorado limited liability company formed on August 25, 2003. SSS LLC shares our principal business address. SSS LLC has never offered franchises in this or any other line of business. As of December 31, 2025, SSS LLC owns 40 Sola Franchises in Colorado, Maryland, and Virginia, which are operated by Sola Franchising (or SFC) on behalf of SSS LLC since 2004.

Our affiliate, Sola Salon Studios California, LLC, a Colorado limited liability company formed on July 17, 2018 ("SSS CA LLC"), is a wholly owned subsidiary of SSS LLC. SSS CA LLC shares our principal business address. SSS CA LLC has never offered franchises in this or any other line of business. As of December 31, 2025, SSS CA LLC owns 27 Sola Franchises in California. Sola Franchising has operated the Sola Franchises on behalf of SSS CA LLC since January 2019.

Sola Franchising has two wholly-owned subsidiaries: Sola Salon Studios International, LLC ("Sola International") and Sola Salon Studios Canada, Inc. ("Sola Canada").

Sola International is a Colorado limited liability company formed on July 28, 2017. Sola International shares our principal business address. Sola International offers Sola Franchises outside of the United States and Canada. Sola International has never offered franchises in any other line of business. As of December 31, 2025, there are no Sola Franchises outside of the United States and Canada.

Sola Canada is a Canadian corporation organized under the laws of the province of Quebec on June 9, 2016. The principal business address of Sola Canada is 1 Place Ville-Marie #4000, Montreal, Quebec, Canada H3B 4M4. Sola Canada offers Sola Franchises in Canada. Sola Canada has never offered franchises in any other line of business. As of December 31, 2025, there are five (5) Sola Franchises operating in Canada. Our affiliate, Radiance Distribution LLC, is a Colorado limited liability company formed on December 3, 2021. Radiance Distribution LLC shares our principal business address. Radiance Distribution LLC has never offered franchises in this or any other line of business. Radiance Distribution may offer spa-related products or services for sale to you.

Our affiliate, Radiance Promotions LLC, is an Ohio limited liability company formed on September 19, 2025. Radiance Promotions LLC shares our principal business address. Radiance Promotions LLC has never offered franchises in this or any other line of business. Radiance Promotions LLC manages and operates the Woodhouse gift card program on our behalf.

Woodhouse Gathering, LLC, Radiance Borrower, LLC, Radiance Intermediate, LLC, Radiance Parent, LLC, DWYL I, DWYL II, Sola Franchising, Radiance Distribution LLC, Radiance Promotions LLC, SSS LLC, SSS CA LLC, Sola Canada, and Sola International are collectively referred to as the "Radiance Affiliated Brands."

Except as otherwise described above, we have no predecessors, no other parents, and no other affiliates that are required to be disclosed in this Item, offer franchises in any line of business, or provide products or services to our franchisees.

The Franchise

We sell franchises for the right to establish and operate Spas under the Woodhouse Day Spa system (the "System"). The System includes distinctive exterior design, signs, color scheme, standards and specifications for products, inventory, and supplies; uniform standards, hours of operation, specification and procedures for operations; procedures for management and quality control; marketing, advertising, and accounting systems; training and assistance. In the future, the System may include medspa services in addition to standard day spa services.

You must operate your Spa under the Woodhouse mark and use other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System.

Our franchise agreement (the "Franchise Agreement"), the current form of which is attached to this disclosure document as Exhibit C, gives you the right to establish and operate one Spa at a specified location within a designated, non-exclusive geographic area ("Designated Area").

We may require your current and future Principals (as defined in the Franchise Agreement) to sign a Principals' Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. We also may require your current and future Principals to each sign a Confidentiality Agreement, with Principals' undertakings, in the form attached to the Franchise Agreement. (See Item 15.)

The Franchise Agreement requires you to designate an "Operating Principal." Your Operating Principal is the main individual responsible for your business. If you are an individual, you will be the Operating Principal. If you are not an individual, you must designate someone who meets our requirements and whom we approve to be your Operating Principal. Your Operating Principal will sign the Guaranty.

We also may offer qualified applicants the right to enter into a development agreement (the "Development Agreement"), the current form of which is attached to this disclosure document as Exhibit B, to develop two (2) to ten (10) Spas within a specifically described geographic area (the "Territory"). The size of the Territory will vary depending upon local market conditions. (See Item 12.) The development Territory will be determined before executing the Development Agreement and will be described in Exhibit E to the Development Agreement. If you sign a Development Agreement, you will have the exclusive right to open Spas in the Territory until the expiration or earlier termination of your Development Agreement. Development Agreements and the rights under Development Agreements may not be transferred or assigned without our prior written consent, which we may grant or deny in our sole determination.

If you sign a Development Agreement, you must develop two (2) to ten (10) Spas in the Territory according to a development schedule that we establish in our sole determination (generally, you will have 14 months from signing your Development Agreement to open your first Spa and an additional 12 months thereafter to open each additional Spa). You must enter into a separate Franchise Agreement for each Spa you establish. The Franchise Agreement for the first Spa developed under the Development Agreement will be in the form of Exhibit C to this disclosure document and will be executed at the same time as the Development Agreement. For each additional Spa developed under the Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, except that the initial franchise fees will be as provided in the Development Agreement, and the royalty and advertising expenditure percentages will be the same as those in the Franchise Agreement at Exhibit C to this disclosure document.

The person or entity executing the Development Agreement is the "Developer." The Development Agreement also contains concepts like "Principals" and "Operating Principal" that are similar to those in the Franchise Agreement. The Operating Principal for all Woodhouse Day Spas that you (and, if applicable, your affiliates) operate must be the same person, and the Operating Principal under the Development Agreement and any Franchise Agreement executed under the Development Agreement must be the same person.

In this disclosure document, the terms "Principals" "and "Operating Principal" include those persons having similar obligations identified in both the Development Agreement and Franchise Agreement, and the terms "you" and "your" also include the developer under the Development Agreement, unless we have noted otherwise. Any reference to the "Agreements" means the Development Agreement and the Franchise Agreement, as applicable.

Market and Competition

The market for day spa services is not fully developed, but is, nevertheless, competitive. There is competition for management personnel, service providers, and for attractive commercial real estate sites suitable for spas. You must expect to compete with other day spas and other competing concepts. Competitors may be locally-owned or large regional or national chains. The day spa business is also affected by changes in consumer taste, demographics, traffic patterns, and economic conditions. The operations of Woodhouse Spa locations may be affected by seasonality. Sales may vary throughout the year and, based on our experience, often increase during holiday periods, including November and December.

Industry-Specific Regulation

You must comply with all laws, rules, and regulations governing the operation of the Spa and obtain permits and licenses necessary to operate the Spa. Your state or locality may require you to obtain permits and/or licenses in order to provide day spa services. Specifically, some states require that day spas obtain special cosmetology and health department licenses and permits. You will be responsible for ensuring compliance with all requirements. You also will be required to comply with federal, state, and local laws applicable to businesses generally. You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Ben Jones

Mr. Jones has served as our Chief Executive Officer since April 2024. Since April 2024, he has also served as Chief Executive Officer of Radiance Holdings, LLC and the Radiance Affiliated Brands. Since August 2023, he has served on the board of managers for Radiance Holdings, LLC. Mr. Jones previously served as our Chief Legal Counsel, Chief Development Officer, President, Treasurer, and Secretary from July 2020 to August 2023. From August 2022 to August 2023, he has also served as President, Treasurer, and Secretary to WH Denver. From December 2021 to August 2023, he has also served as Vice President, Assistant Treasurer, and Secretary of Radiance Distribution LLC. Mr. Jones also served as Chief Development Officer of Sola Franchising from January 2020 to August 2023, Chief Development Officer of Sola International from July 2017 to August 2023, Chief Legal Counsel of Sola Franchising, SSS LLC, SSS CA LLC, and Sola International from July 2020 to August 2023, and President of Sola Canada from June 2016 to August 2023. Mr. Jones served as Vice President, Assistant Treasurer, and Secretary to Radiance Holdings, LLC, Sola Franchising, SSS LLC, SSS CA LLC, and Sola International from October 2018 to August 2023. Mr. Jones served in various other positions for us and our affiliates and predecessor from June 2012 to July 2020.

Chief Financial Officer: Robert Michael Bell Jr.

Mr. Bell has served as our Chief Financial Officer since September 2024. Since September 2024, he has also served as Chief Financial Officer of Radiance Holdings, LLC and the Radiance Affiliated Brands. Previously. Mr. Bell served as President and Chief Financial Officer from April 2018 to September 2024 at WellBiz Brands, Inc. in Denver, Colorado.

Chief Development Officer: B. Keith Sizemore

Mr. Sizemore has served as Chief Development Officer for us, Sola Franchising, and Sola Canada since November 2025, from Dallas, Texas. Prior to joining us, Mr. Sizemore served as Senior VP of Development for Shipley Donuts, in Houston, Texas, from November 2023 to November 2025. He served as VP of Development from May 2021 to August 2022, VP of New Territory Development from June 2018 to May 2021, and Director of Operations from April 2016 to June 2018 for Marco's Pizza in Houston, Texas. Mr. Sizemore has also been the owner of MP Size Inc. and Size Enterprise LLC that operate various Marco's Pizza locations in Spring, Tomball, Magnolia and Montgomery, Texas since June 2017.

Chief Operating Officer: Ariel Clay

Ms. Clay has served as our Chief Operating Officer since March 2024. Prior to joining us, from September 2022 to March 2024, Ms. Clay served as Chief Marketing Officer for WellBiz Brands in Denver, Colorado. She also served as SVP Revenue Strategy, from June 2021 to September 2022, VP Operations Strategy, from October 2020 to June 2021, and in various other positions from February 2019 to October 2020 for WellBiz Brands in Denver, Colorado.

Vice President of Marketing: Carola Michelle Ichazo-Vazquez

Ms. Vazquez has served as our Vice President of Marketing since December 2023. Prior to joining us, Ms. Vazquez served as Director of Marketing for ClearChoice Dental Implant Center, located in Englewood, Colorado, from February 2020 to December 2023.

Vice President of Operations: Lisa O'Brien

Ms. O'Brien has served as our Vice President of Operations since June 2024. Prior to joining us, Ms. O'Brien served as the Senior Vice President of Operations for Pet Evolution Franchising in St. Pete Beach, Florida, from September 2022 to May 2024. She also served as Senior Manager of Field Operations, from June 2012 to September 2022, for Self Esteem Brands located in St. Paul, Minnesota.

Vice President of Development: John L. Pantera

Mr. Pantera has served as our Vice President of Development since October 2024. Since October 2024, he has also served as Vice President of Development for Sola Franchising. From December 2017 to September 2024, he served as Director of Franchise Sales & Development for WellBiz Brands, Inc. in Denver, Colorado.

Vice President of Real Estate: Dan Ogiba

Mr. Ogiba has served as our Vice President of Real Estate since December 2021. Since December 2021, he has also served as our Vice President of Real Estate for Sola Franchising. Prior to joining us, Mr. Ogiba served as Vice President of Real Estate for AM Retail Group, located in Brooklyn Park, Minnesota, from September 2017 until December 2021.

Franchise Sales Director: Liam Finn

Mr. Finn has served as our Franchise Sales Director since April 2025. He has also served as Franchise Sales Director of Sola Franchising since April 2025. Prior to joining us, Mr. Finn served as Director of Franchise Development for Rave Restaurant Group, located in The Colony, Texas, from January 2024 to October 2024. From June 2023 to November 2024, he served as Franchise Development Manager for Authority Brands, located in Columbia, Maryland. From March 2021 to May 2023, he served as Franchise Development Manager for Driven Brands, located in Charlotte, North Carolina.

Unless otherwise stated above, each of the individuals listed in Item 2 currently maintains an office at our headquarters in Lakewood, Colorado.

ITEM 3
LITIGATION

Pending Matters: None

Former Litigation:

The Woodhouse Spas Corporation vs. Teddy D. Lester, Ricky Marshall, and Victoria Clark; Cause No. 17-02-80677-C, in the 377th District Court, Victoria County, Texas: On February 24, 2017, we filed suit against Defendants Teddy D. Lester ("Lester") (one of our former employees and a former owner of a Woodhouse Spas franchise) and Ricky Marshall for, among other things, theft of trade secrets. On April 7, 2017, we amended the petition and added Victoria Clark ("Clark"), a Woodhouse Spas franchisee and multi-unit developer, seeking temporary and permanent injunctions, unspecified damages, and attorneys' fees and court costs; and bringing claims against Lester and Clark, among others, for misappropriation, disclosure, theft, and/or misuse of our trade secrets and confidential and proprietary information and violation of our non-compete provisions. On May 10, 2017, Clark and her entity, Clark Hospitality Group, LLC filed an answer to our first amended petition and asserted counterclaims seeking unspecified damages for fraud, negligent misrepresentation, fraud by non-disclosure, and violation of the Texas Deceptive Trade Practices Act, plus attorneys' fees, and court costs. The parties settled the matter on September 11, 2017, and as part of the settlement, we paid Clark $125,000. The matter was dismissed with prejudice on September 15, 2017.

The Woodhouse Spas Corporation v. Cheryl Calina Burns et al; Lead Adversarial Proceeding 3:19-ap-90036 in connection with Lead Bankruptcy Proceeding 3:19-bk-1059; in the U.S. Bankruptcy Court for the Middle District of Tennessee, Nashville Division. On February 11, 2019, we gave notice of the termination of two franchise agreements. We terminated the first franchise agreement for failure to operate the Spa in compliance with our standards for sanitation and repair. Because the franchisee failed to cure the non-compliance defaults, the franchisee's second franchise agreement was subject to cross-default and termination, and we terminated the second franchise agreement. The first franchise agreement was between us and Calina, LLC, under which the franchisee through Cheryl Calina Burns ("Burns") operated a Woodhouse Day Spa located in Franklin, Tennessee. The second franchise agreement was between us and Women of Wellness Enterprises, LLC, under which the franchisee through Burns operated a Woodhouse Day Spa located in Chattanooga, Tennessee. On February 16, 2019, Calina, LLC and Women of Wellness Enterprises, LLC each filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code, and on February 22, 2019, Cheryl Calina Burns, the owner of the entities described above, filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code. On February 25, 2019, Burns, Calina, LLC, and Women of Wellness Enterprises, LLC (collectively, "Tennessee Franchisee") filed a Complaint against us claiming, among other things, improper termination of the franchise agreements and breach of contract, in which Tennessee Franchisee sought a declaratory judgment regarding its claims. Tennessee Franchisee continued to operate each Spa under "The Woodhouse Day Spa" name and trademarks and continued to use our proprietary and confidential information. On February 25, 2019, we filed a complaint against Tennessee Franchisee seeking a declaratory judgment as to the proper termination of both franchise agreements and seeking temporary and permanent injunctions to prevent Tennessee Franchisee from unlawfully operating the Spas, unlawfully using our trademarks, misappropriating our confidential information and trade secrets, and violating the non-competition provisions of the franchise agreements. The parties' competing requests for declaratory judgments and injunctive relief were heard on February 26, 2019, and the bankruptcy court granted Tennessee Franchisee's request for a temporary injunction maintaining the status quo until trial on the merits. After months of negotiations, the parties entered into a Settlement Agreement and Mutual Release ("Settlement Agreement"), which was approved by the bankruptcy court on December 4, 2019 ("Effective Date"). Another party (Kim Trull) who was involved in a business dispute with Burns was also a party to the Settlement Agreement. As part of the Settlement

Agreement, we agreed to pay Tennessee Franchisee $25,000 by December 10, 2019. Among other terms, the Settlement Agreement also provided that: (i) the parties dismiss with prejudice all claims by and between the parties in the bankruptcy cases and adversarial proceedings described above and release any and all claims, potential claims, and claims that could have been brought by and between the parties, except those related to the Settlement Agreement; (ii) both franchise agreements terminated on December 5, 2019; (iii) the Regional Developer Agreement between us and BHAGS LLC transferred to Kim Trull on December 5, 2019; (iv) the Tennessee Franchisees may operate independent spas in the same locations as their Woodhouse Day Spas; (v) the Tennessee Franchisee must take steps to avoid marketplace confusion with the Woodhouse Marks; (vi) for the 18-month period following the Effective Date, the Tennessee Franchise must refrain from opening or operating a spa within a 5-mile radius of the existing Woodhouse Day Spa in Midtown; (vii) we must refrain from opening and operating a spa within a 5-mile radius of Tennessee Franchisee's existing spas in Franklin and Chattanooga unless Tennessee Franchisee elects not operate independent spas at the existing spa locations; (viii) neither party may solicit nor hire employees of the other or otherwise interfere with employee relationships for the 18-month period following the Effective Date; (ix) the parties jointly communicate about the brand change to Franklin and Chattanooga gift card holders; (x) the Tennessee Franchisee offer gift card holders an even exchange for a new gift card at their independent spa until December 4, 2023 without reimbursement from us; (xi) the Tennessee Franchisee reimburse us in an amount not to exceed $75,000 for any gift cards previously issued by the Franklin or Chattanooga Spas that are exchanged or redeemed at other Woodhouse Spa locations, or are refunded by us through December 4, 2023, and (xii) the Tennessee Franchisee's gift card obligations constitute an allowed administrative expense under the Bankruptcy Code that will not be discharged by the bankruptcy case and will survive confirmation of any plan in the bankruptcy case.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You must pay us a $60,000 initial franchise fee when you sign the Franchise Agreement ("Initial Franchise Fee"). The current Initial Franchise Fee is uniform. In the past, the amount of the initial franchise fee could differ based on various factors, including the number of locations to be opened by the franchisee, whether the franchise agreement was for an additional location for an existing franchisee, the length of time the franchisee had been associated with us or any of our affiliates, and size and location of the territory under any development agreement.

During our last fiscal year ending December 31, 2025, the range of actual Initial Franchise Fees paid to us was $25,000 to $60,000. The factors that influenced our decision to adjust the Initial Franchise Fee included the number of locations to be opened by the franchisee, if it is an additional location for a franchisee, the length of time the franchisee had been associated with any affiliate of ours, and the size of the Protected Area. We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Franchise Fee in the future.

Development Fee

If you choose and we agree, you may purchase multiple Spa franchises. You may purchase in a group of two (2), three (3), four (4), Five (5), or Ten (10). You will be required to sign our Development Agreement and agree to open your Spas upon a set schedule.

If you sign a Development Agreement for two (2) Spas, you must pay us a development fee of $60,000 and if you sign a Development Agreement for three (3) Spas, you must pay us a development fee of $90,000, if you sign a Development Agreement for four (4) Spas, you must pay us a development fee of $140,000, if you sign a Development Agreement for five (5) Spas, you must pay us a development fee of $165,000, if you sign a Development Agreement for ten (10) Spas, you must pay us a development fee of $340,000 ("Development Fee"). The Development Fee is due upon signing your Development Agreement. If you sign a Development Agreement, you will be required to execute our then-current form of Franchise Agreement (which may differ from the form attached to this disclosure document) for each Spa developed under the Development Agreement. You will sign a Franchise Agreement concurrently with the Development Agreement for the first Spa you develop under the Development Agreement. You must pay the Initial Franchise Fee (in addition to the Development Fee) for the first Spa you develop under the Development Agreement. For each additional Spa you develop under the Development Agreement, you will be required to sign our then-current form of franchise agreement. No Initial Franchise Fee will be due for each additional Spa developed under the Development Agreement.

During our last fiscal year ending December 31, 2025, we collected one Development Fee in the amount of $25,000. The factors that influenced our decision to adjust the Development Fee included the number of locations to be opened by the franchisee, if it is an additional location for a franchisee, the length of time the franchisee had been associated with any affiliate of ours, and the size of the Protected Area. We reserve the right to take these and other factors into consideration when offering adjustments to the Development Fee in the future.

Initial Training Fee

You must pay us an initial training fee in the amount of $5,000 ("Initial Training Fee") for your Operating Principal and General Manager to participate in our initial training program. The Initial Training Fee must be paid upon invoice prior to the opening of your Spa, and such training must be completed before your Spa opens for business. In addition, you will be solely responsible for all of your and your employees' expenses for attending our initial training program, including expenses like travel, lodging, meals, and wages.

During our last fiscal year ending December 31, 2025, the range of actual Initial Training Fees paid to us was $0 to $3,769. The factors that influenced our decision to adjust the Initial Training Fee included the number of locations to be opened by the franchisee, if it is an additional location for a franchisee, the length of time the franchisee had been associated with any affiliate of ours, and the size of the Spa. We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Training Fee in the future.

New Location Launch Program Fee

You must market and advertise your Spa for at least two months prior to opening and three months post opening by participating in our "New Location Launch Program." As part of your participation in the program, you must pay us $10,000 to direct a digital marketing campaign to promote the Spa in your individual market ("New Location Launch Program Fee"). You must pay the New Location Launch Program Fee prior to commencing the construction of your Spa.

During our last fiscal year ending December 31, 2025, the range of New Location Launch Program Fees paid to us was $0 to $15,000. The factors that influenced our decision to adjust the New Location Program Fees included the number of locations to be opened by the franchisee, if it is an additional location for a franchisee, the length of time the franchisee had been associated with any affiliate of ours, and the size of the Spa, the market, as well as the Franchisees voluntarily election to increase campaign spend. We reserve

the right to take these and other factors into consideration when offering adjustments to the New Location Launch Program Fees in the future.

The initial fees described above are not refundable under any circumstances.

ITEM 6
OTHER FEES

Type of Fee(1)	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales	On or before each Tuesday for the preceding week.	See Note 2 for the definition of Gross Sales. We require you to pay the royalty fee by electronic funds transfer.
Advertising Fund Contribution	Up to 2% of Gross Sales (currently 1.75% of Gross Sales)	On or before each Tuesday for the preceding week.	See Note 2 for the definition of Gross Sales. We require you to pay the Advertising Fund contribution by electronic funds transfer.
Local Advertising Expenditures	1.75% of Gross Sales	You must spend this minimum amount each quarter on local advertising. If you fail to do so, we may collect such unspent amounts, which is due upon invoice, and deposit such amounts into the Advertising Fund.	See Note 2 for the definition of Gross Sales.
Technology Management Fee	Then-current fee (currently $550 per month)	When billed.	This fee covers our internal costs associated with managing the various technical platforms and business tools as well as the licensing, development and implementation of such systems. We may increase this fee as our costs to provide these technology-related services increases upon providing you with written notice.
Additional Opening Assistance	Then-current fee plus travel and living expenses	When billed.	We may provide one on-site visit in connection with the opening of your Spa without charging a fee. We may charge you a fee and require you to reimburse us for our costs of providing additional opening assistance.
System Merchandise for Resale	Varies	On demand.	We may sell to you certain collateral merchandise for resale that identifies the system (for example, caps and t-shirts).
Late Payments and Interest	$100 per day and 18% per year or the maximum lawful rate	On demand.	We may impose a late fee and charge interest on all overdue amounts.
Additional	At our option, a reasonable	When billed.	You must also pay the expenses of your

Type of Fee(1)	Amount	Due Date	Remarks
Training	fee based on our costs of providing additional training		personnel attending training.
On-site Remedial Training	The then-current per diem fee for remedial training, plus costs. Our current per diem rate is $250	When billed.	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training at your Spa.
Annual Convention	Up to $1,000 per person	When billed.	We may charge a fee up to $1,000 per person to attend our annual franchisee convention. If you fail to attend our annual franchisee convention, we may charge you a fee up to $1,000 per Spa regardless of attendance.
Transfer Fee	$10,000 or $15,000, plus our reasonable costs and expenses associated with the transfer including training costs, legal and accounting fees	With transfer application.	The Transfer Fee is either $10,000 if the transferee is a current Woodhouse Spa franchisee or $15,000 if the transferee is not a current Woodhouse Spa franchisee. There is no fee if an individual or partnership transfers rights to a corporation controlled by the same interest holders or for a transfer of a non-controlling interest in you by a Principal not signing the Guaranty.
Securities Offering Fee	$3,000, plus our reasonable costs and expenses associated with the proposed offering	When billed.	We limit our review to the manner in which the offering materials treat your and our relationship.
Renewal Fee	$12,750	Signing of renewal franchise agreement.	You must give us at least 6 months and not more than 9 months notice to renew and meet other renewal conditions.
Inspection and Testing	Cost of inspection, if applicable, and cost of test	When billed.	Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities.
Gift Card Liabilities	Varies	On demand upon termination or expiration of your Franchise Agreement.	On termination or expiration of the Franchise Agreement, you must pay us an amount equal to 50% the total outstanding balance of all coupons, gift cards, gift certificates and vouchers issued by the Spa as of the date of termination or expiration.
Indemnification	Varies according to loss	On demand.	You must indemnify us when certain of your actions result in loss to us.
Audit Fee	Cost of audit	When billed.	Payable if an audit shows you have understated any amount owed to us by 3% or more.
Insurance Fee	A reasonable amount based on our expenses	On demand.	If you fail to maintain the required insurance, we may (but need not) obtain

Type of Fee(1)	Amount	Due Date	Remarks
			it for you. If we do, we will charge you a fee, plus our expenses.
Enforcement Costs	Will vary	As incurred.	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.
Non-compliance Fee	$50 per day that violation remains uncured.	On demand, following your failure to cure a violation of our standards, specifications, or procedures.	If you fail to operate your Spa in compliance with Franchisor's standards, specifications or procedures, Franchisor may charge you a fee up to $50 for each day that you remain in violation following written notice of your default.
Extension Fee	$5,000 for 6-month extension	As incurred	Payable if you request to extend your opening date or your development schedule.
Liquidated Damages	Varies. See formula in Remarks.	Within 30 days of the date of termination of the Franchise Agreement.	If the Franchise Agreement is terminated for any reason prior to its expiration, you will pay us the following liquidated damages: (i) where there are less than 2 years remaining in Franchise Agreement's term, the average royalty fee paid by you during the previous 2 years multiplied by the number of weeks remaining in Franchise Agreement's term; (ii) where there are 2 or more years remaining in Franchise Agreement's term and the Spa has operated for at least 2 years, the average royalty fee paid by Franchisee during the previous 2 years multiplied by 104 weeks; and (iii) where there are 2 or more years remaining in the Franchise Agreement's term and the Spa has not opened or has operated for less than 2 years, the average royalty fee paid by franchisees for the month that termination is effective multiplied by 104 weeks.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) "Gross Sales" is the total selling price of all services and products and all income of every other kind and nature related to the Spa, including income from the sale of products and services over the Internet, whether for cash or credit and regardless of collection in the case of credit. Gross Sales

includes the full value of spa products or services furnished to your employees as an incident to their employment (except you may credit the value of any discounts against Gross Sales during the week in which the products or services are provided) and all proceeds from the sale of coupons, gift cards, gift certificates or vouchers, including amounts paid directly to you by third party marketing companies (e.g., Groupon) for similar payment devices. Gross Sales does not include (i) receipts from any public telephone or vending machine installed in your Spa, except for your share of the revenues; (ii) sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority; (iii) proceeds from isolated sales of trade fixtures that are not part of the products and services you offer and that do not have any material effect on the operation of your Spa; (iv) tips or gratuities paid directly by Spa customers to your employees or paid to you and then turned over to your employees by you in lieu of direct tips or gratuities; (v) returns to shippers or manufacturers and (vi) the retail price for the services provided in exchange for coupons, gift cards, gift certificates or vouchers, unless sales proceeds are not recorded and reported for royalty purposes at the time the coupon, gift card, gift certificate or voucher is sold, or if those coupons, gift cards, gift certificates or vouchers are distributed free of charge, in which event, the retail price for the services provided in exchange for those coupons, gift cards, gift certificates or vouchers is included in Gross Sales.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Initial Franchise Fee (1)	$60,000	$60,000	Lump sum	Upon signing Franchise Agreement	Us
Site Evaluation Services (2)	$2,000	$3,500	As incurred	As incurred	Approved Suppliers
Security Deposit and Rent (3)	$22,679	$55,783	As arranged	As arranged	Lessor
Leasehold Improvements (4)	$645,182	$921,700	As arranged	As arranged	Landlord, or Contractor
Architectural Fees (5)	$34,700	$38,500	As arranged	Upon securing location	Architect, Design Service Firm
Permits (6)	$7,500	$12,500	As arranged	As invoiced	Government Agencies
Signage (7)	$21,648	$39,274	As arranged	As arranged	Suppliers
Fixtures, Furniture and Equipment (8)	$349,848	$476,585	As arranged	As invoiced	Approved Suppliers
Initial Inventory (9)	$53,965	$151,877	As arranged	As arranged	Approved Suppliers
Business Licenses (10)	$250	$1,000	As arranged	As invoiced	Government Agencies
Initial Training Fee (11)	$5,000	$5,000	Lump sum	Upon signing Franchise Agreement	Us
Training Expenses (12)	$3,000	$5,000	As arranged	As arranged	Employees and Suppliers

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
New Location Launch Program (13)	$10,000	$10,000	Lump Sum	As invoiced	Us
Professional Services (14)	$3,000	$10,000	As arranged	As arranged	Accountants, Lawyers, etc.
Insurance (15)	$4,625	$7,250	As arranged	As arranged	Insurance Broker
Computer and IT Systems and Components (16)	$58,500	$70,000	As arranged	As invoiced	Approved Suppliers
Grand Opening (17)	$5,000	$5,000	As arranged	As arranged	Approved Suppliers and Employees
Additional Funds for the start-up phase (For Initial 3-Month Period) (20)	$50,000	$150,000	As arranged	As arranged	Various Suppliers
TOTAL (21)	$1,336,897	$2,022,969			

Development Agreement

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee (1)	$60,000 to $340,000	Lump sum	Upon signing Development Agreement	Us

Notes:

1. Initial Franchise Fee and Development Fee. See Item 5. You must pay us the Initial Franchise Fee when you sign the Franchise Agreement. If you sign a Development Agreement, you must also pay us a Development Fee when you sign the Development Agreement. If you sign a Development Agreement, you will be required to execute a Franchise Agreement and pay the Initial Franchise Fee for your first Spa concurrently therewith. No Initial Franchise Fee will be due for your second and/or third Spa to be developed under the Development Agreement. You will not owe a Development Fee if you do not sign a Development Agreement. The low-end amount for the Development Fee is for the development of two (2) Spas and the high-end amount for the Development Fee is for the development of ten (10) Spas.

2. Site Evaluation. We require you to use an approved architect and design firm to conduct a site evaluation of your proposed business site prior to signing a lease. You must pay the then-current service fees related to the site evaluation. We estimate these fees will be between $2,000 and $3,500.

3. Security Deposit and Rent. Generally, landlord requires a security deposit equal to one month's rent and pre-payment of one month's rent prior to opening. Our estimate includes a security deposit and one month of gross rent. The low-end and high-end estimates are based on actual costs incurred by recently developed Spas of typical size and complexity with an annual rent price per square foot ranging from $24.00 to $50.50. Woodhouse Spas are typically located in commercial in-line

shopping center buildings. Although most franchisees lease, you may purchase or lease the building for your Spa. We are unable to estimate real estate costs if you purchase the building for your Spa. This estimate assumes you will lease your location and does not include the costs for real estate, building permits, or financing. A Spa can be designed and built in many different shapes and sizes. The majority of our franchised Spas range from 5,000 to 7,000 square feet. Lease costs have wide variations in prices and the price for square foot that you actually secure will depend on factors like location, type of building on the property, type of shopping center (e.g. high end), size of the property, the type of interest you acquire and market conditions. If the size of your Spa is more than 7,000 square feet, then you should expect that your costs will be greater than the high amount of the range of total estimated expenditures.

4. Leasehold Improvements. You will incur costs to bring the Spa property into conformity with the System. A Spa can be designed and built in many different shapes and sizes. The majority of our franchised Spas range from 5,000 to 7,000 square feet. This estimate provided is for the total construction/renovation cost of a single Woodhouse Spa location based on our current prototypical plans. The estimate is based on our experience in the construction industry and actual costs incurred by some recently developed Spas of average size and complexity. The estimates includes the application of tenant improvement allowances that were actually received ranging from $30-$70 per square foot. Although there is no guarantee you will receive a tenant improvement allowance, our recent franchisees have typically received tenant improvement allowances. If you receive tenant improvement allowance, there is no guarantee you will receive it before the completion of your construction. Our estimate also includes your cost for the purchase and installation of the software, computers, tablets, and other technology we require, including, without limitation, voice and internet telecommunication systems, data cabling, sound equipment system, surveillance (audio/video) system, sound masking system, overhead music system, messaging on-hold system, and installation labor, which you must purchase from our approved suppliers. We reserve the right to add and delete component requirements at any time. These costs vary in each individual situation based on factors such as the physical condition of the property, fixtures, equipment, furnishings, furniture, signage, and similar items already present on the property, property size, property location, property complexity, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property, as well as design selection you choose to incorporate in your buildout. The estimate excludes financing costs, which may vary widely based on factors like the type of loan, the size and location of the Spa, and your creditworthiness. Building construction and renovation costs vary greatly from region to region depending on material, labor costs, union or non-union practices, your ability to negotiate with the landlord, and other variables. Depending on your jurisdiction you may be required to pay impact and/or tap fees to local government entities for water and/or sewer upgrades as a condition for connecting to the public utility system. These fees vary based on location, size of the premises, and local regulations.

5. Architectural Fees. This estimate is for space planning and architectural fees that you will incur in adapting our prototype design and architectural plans. This amount includes architectural renderings and mechanical, electrical, and plumbing plans.

6. Permits. Each state varies on the requirements for permits related to the construction of your Franchise location. Depending on your jurisdiction you also may be required to pay impact and/or tap fees to local government entities for water and/or sewer upgrades as a condition for connecting to the public utility system. Impact fees are excluded from this estimate. These fees vary based on location, size of the premises, and local regulations. The estimated range for impact fees is $0.00 to $100,000.00 but actual costs may be higher depending on local requirements. You should consult with your attorney and local, state and federal government agencies before signing a lease and consider their effects on cost. Franchisees are responsible for confirming applicable impact fees with local authorities before signing a lease.

7. Signage. At a minimum you will install one exterior sign. Signage requirements must meet local requirements and the requirements of the retail development management company/developer, which may require you to install more than one sign or to install signage that is different from our standard signage, in which case, you should expect to pay more.

8. Fixtures, Furniture and Equipment. This estimate is based on the costs that recently developed Spas of average size and complexity have incurred to construct a Woodhouse Spa. The cost of Fixtures, Furniture and Equipment will vary depending on the square footage of your Spa. A Spa can be designed and built in many different shapes and sizes. The majority of our franchised Spas range from 5,000 to 7,000 square feet. The range of costs does not include taxes and shipping costs, which may vary greatly depending on where your Spa is located, the number of items you purchase, and your state and local tax rates.

9. Initial Inventory. This estimate includes the cost for back bar supplies, retail, and marketing materials for approximately the first 30 to 45 days of operations on the low end and 60 to 90 days of operations on the high end for a typical buildout of an average sized Spa. Inventory costs will increase as Spa size and number of treatment rooms increases.

10. Business Licenses. Each state varies on the requirement for licenses and permits to operate your Spa.

11. Initial Training Fee. We provide initial training to your initial Operating Principal and General Manager in exchange for the Initial Training Fee of $5,000. See Item 5 for additional information regarding the Initial Training Fee.

12. Training Expenses. You will be responsible for all of your and your employees' expenses like travel, lodging, meals, and wages to attend initial training. These costs will vary depending upon your selection of salary levels, lodging, and dining facilities, and mode and distance of transportation.

13. New Location Launch Program. See Item 5. You must market and advertise your Spa for at least two (2) months prior to opening and three (3) months post opening by participating in our New Location Launch Program. As part of your participation in the program, you must pay us $10,000 to direct a digital marketing campaign to promote the Spa in your individual market ("New

Location Launch Program Fee"). You must pay the New Location Launch Program Fee prior to commencing the construction of your Spa.

14. Professional Services. This estimate is for the cost to establish an entity to hold the franchise and legal fees for negotiation of your commercial lease. The cost of professional services can vary widely.

15. Insurance. You must obtain the insurance coverage described in the Franchise Agreement and in Item 8 of this disclosure document. We must be named as an additional insured on these policies. A single new Spa location of average size and complexity will pay approximately $18,500 to $29,000 annually for insurance premiums. The low-end estimate assumes three (3) months of payments towards an annual payment of $18,500 and the high-end estimate assumes three (3) months of payments towards an annual payment of $29,000. The costs will vary depending on such factors as property size, revenue, property location, and extent of alterations required for the property.

16. Computer and IT Systems and Components. This amount estimates your cost for the purchase and installation of the software, computers, tablets, and other technology we require, including, without limitation, voice and internet telecommunication systems, data cabling, sound equipment system, surveillance (audio/video) system, sound masking system, overhead music system, messaging on-hold system, and installation labor, which you must purchase from our approved suppliers. We reserve the right to add and delete IT component requirements at any time.

17. Grand Opening. You must spend at least $5,000 on the Spa's grand opening promotion and you must provide us with the evidence of these expenditures. We must approve all advertising items, methods, and media.

18. Additional Funds. This is an estimate of your working capital needs for the first 3 months of operation. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your actual costs during the Spa's first 3 months of operation depend on many factors, including the following: (i) how closely you follow our methods and procedures; (ii) your management skill, experience, and business acumen; (iii) local economic conditions; (iv) the local market for your products; (v) the prevailing wage rate; (vi) competition; and (vii) the sales level reached during the initial period.

19. This estimated initial investment is for one Woodhouse Spa. The total does not include costs for real estate, building permits, or financing. We have relied on our franchisees' experiences to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. In addition, inflation, tariffs, and worldwide economic conditions may impact various costs, including, among others, furnishings, fixtures, equipment, building costs, signage, technology, and inventory. At the present time, we have no plans to increase payments we control.

We do not offer any financing for your Initial Franchise Fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

Currently, except as described below, you have no obligation to purchase or lease from us, our affiliates, or other designated third-party suppliers any of the products, services, supplies, fixtures, equipment (including computer hardware and software and electronic cash register systems), inventory, or real estate used in establishing or operating the Spa:

Construction Management and General Contractor Services

We must approve the General Contractor of your choice that you select to construct the improvements for your Spa. In addition, you must use our in-house construction management team to provide construction management services in connection with the development of your Spa. Our construction management services are identified in Attachment F of the Franchise Agreement. You must comply with all guidelines, standards, and specifications set forth by us in relation to such projects. If you elect to construct or substantially renovate a building for your Spa, you must retain, at your sole cost and expense, an independent third-party project management firm approved by us to manage the design and construction of the project. We will not manage, control, or be responsible for the design, construction, scheduling, budgeting, or completion of any such project.

Space Planning and Architectural Services

You must use a space planning service and architect approved by us for architectural services related to the development of your Spa. We must approve the architect that you select for your Spa.

Currently, we are the only approved vendor for design or space planning services. You must use our in-house design service. We do not charge a fee for these services. In addition, you must use design services from us or an approved vendor in connection with any renovations, upgrades, or modernizations of your Spa. These in-house services are in addition to any final design plans you must obtain, including mechanical, HVAC, plumbing, electrical, and any other drawings required by any applicable codes, regulations, rules or laws from engineers, architects, or other design professionals, the fees for which will vary depending on the complexity and size of your project.

Site Evaluation

You are required to obtain a site evaluation of your proposed business site. Currently, we have two recommended vendors for this purpose. You must pay the then-current services fees related to the site evaluation. We estimate these fees will be between $2,000 and $3,500.

Furniture, Fixture, and Equipment

You must purchase furniture, fixtures, and equipment, which includes certain furnishings, fixtures, merchandising items, operating equipment, decor items, private label inventory, and printed pieces, from our approved suppliers.

Menus of Products and Services

You must provide Spa customers with a menu listing Spa products and services in the form that we require. You must purchase the menus, including any print materials, from an approved supplier.

Skin Care Products

You must offer and sell, and use in the provision of Spa services, the brands and types of bath and skin care products that we require and only those that we require. You must purchase all skin care products only from approved sources. We may require you to purchase these products solely from us or one of our affiliates.

Body Care Products

You must offer and sell, and use in the provision of Spa services, the brands and types of bath and body care products that we require and only those that we require. You must purchase the body care products only from approved sources. We may require you to purchase these products solely from us or one of our affiliates.

Decor Items

You must purchase from a supplier we designate all decor items to be used in your Spa, like furniture and chandeliers.

Uniforms

You and your employees must wear the uniforms that we require. You must purchase the uniforms from our approved supplier.

Business Cards, Letterhead, Stationary, and Envelopes

You must use the business cards, letterhead, stationary, and envelopes that we require. You must purchase those items from an approved supplier.

Advertising and Marketing Materials

You must purchase all advertising and marketing materials used for the Spa from an approved supplier.

Directory Listing and Reputation Management

You must maintain a directory listing and obtain reputation management services from the supplier we require, which is currently us. These services are currently covered by your contributions to the Advertising Fund.

New Location Launch Program

You must market and advertise your Spa for at least two months prior to opening and three months post opening by participating in our New Location Launch Program. As part of your participation in the program, you must pay us $10,000 to direct a digital marketing campaign to promote the Spa in your individual market ("New Location Launch Program Fee"). You must pay the New Location Launch Program Fee prior to commencing the construction of your Spa.

Background Checks and Investigations

You must purchase employee background checks and screening from the supplier we require. In addition, we reserve the right to require you to use, at your sole cost, a supplier we designate to conduct investigations for you if a service provider at your Spa is accused or suspected of a breach of safety protocols and to require you to subscribe to these services through our master account and by pay us a fee for the cost of these services.

Point of Sale and Other Software

You must obtain the booking and point of sale system hardware and software that we require and pay all related costs and fees. Currently, you must sublicense the software from us. As of the date of this disclosure document, the cost of sublicensing the software from us is included in the Technology Management Fee you pay to us. You must also install and maintain the automated marketing and communications software we require.

Computer and IT Systems and Components

You must purchase from our approved supplier the Computer and IT Systems and Components we require, including software, computers, tablets, voice and internet telecommunication systems, data cabling, sound equipment system, surveillance (audio/video) system, sound masking system, overhead music system, messaging on-hold system, and installation labor. We may change our Computer and IT Systems and Components requirements at any time.

Additional IT Related Services

You must purchase from our approved supplier the Additional IT Related Services we require such as ISP, Audio Source, MSP, and alarm monitoring. We may change our Additional IT Related Services requirements at any time.

System Merchandise

We have the right to make available to you for resale in the Spa merchandise identifying the System. This may include Woodhouse Spa memorabilia, like T-shirts, cups, and mugs. If we make this type of merchandise available, we may require you to purchase it from a supplier we designate, which may be us or our affiliate, in amounts necessary to meet your customer demand.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all supplies, materials, fixtures, furnishings, equipment (including computer hardware and software) and other products used or offered for sale at the Spa. Among other things, the following must comply with our specifications:

Site Selection and Construction

You must locate a site for the Spa that we have approved. We recommend that you engage a real estate broker to source the site for your Spa at your own expense, but in most cases, broker fees will be paid by the landlord from lease proceeds. We reserve the right to require you to use a broker approved by us. Within 15 days after you acquire the site for the Spa, you must engage an architect that we approve, and you must use a space planning vendor of which we approve to modify our prototypical design plans, if modifications are required, for the construction or remodeling of your Spa. We must approve all changes to the plans in advance. We will review your plans internally and will use commercially reasonable efforts to finalize the design layout within 30 days of completing the preliminary design modifications. You may not use any plans until we have approved them in writing, and our silence with respect to approval or rejection of the plans will not be deemed to be approval of the plans. We maintain the right to reject, in our sole discretion, all requests for plan modifications. Upon approval, you must work with an approved architecture firm to complete architectural plans and construction documents. You must provide written notice to us, and must obtain our prior written approval, for any proposed changes to the final plans that we previously approved. You must obtain general contractor services from an approved supplier. You may not remodel or make significant modifications to the Spa without our prior written approval.

If you elect to construct or substantially renovate a building for use as the Spa, you must retain, at your sole cost and expense, an independent third-party project management firm that we approve to manage the design and construction of the project. We will not manage, control, or be responsible for the design, construction, scheduling, budgeting, or completion of any such project and we have no responsibility or liability for the development of any owner-developed site.

Advertising and Promotional Materials

All of your advertising and promotions must conform to our standards and requirements and must be purchased from an approved supplier as discussed above. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them during the 6 months preceding the date of their proposed use. You must submit any unapproved plans and materials

to us, and we will approve or disapprove them within 20 business days after we receive them. You must not use the plans or materials until we have approved them, and must promptly discontinue using any advertising or promotional plans or materials, whether or not we have previously approved them, if we notify you to do so. In certain circumstances, we may require you to include a reference to the fact that franchises for Woodhouse Spas are available in your advertising or promotional material.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the Woodhouse Spa. These policies must be written by a responsible insurance carrier or carriers with a A.M. Best rating of not less than A-VII and that are acceptable to us. Franchisor may, from time-to-time, designate one or more approved suppliers or insurance brokers for the required insurance coverage, and Franchisee must purchase the required insurance coverage and otherwise comply with the requirements to use such designated supplier and/or broker, to the extent permitted by applicable law. At a minimum, you must carry the following:

(1) General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, of not less than One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollars ($2,000,000) general aggregate, Two Million Dollars ($2,000.000) product liability, One Million Dollars ($1,000,000) personal & advertising injury, Three Hundred Thousand Dollars ($300,000) fire legal liability, and Ten Thousand Dollars ($10,000) medical payment limits, or any greater amounts a landlord of the premises may require.

(2) Umbrella Liability of not less than $3,000,000 to be excess of commercial general liability.

(3) Property insurance with special form coverage on all assets including but not limited to buildout, furniture, fixtures, equipment, inventory and supplies used in the operation of your franchised business. Limits must be at 100% of the replacement cost of all business personal property or real property owned by the franchise. This policy must also include Business Income and Extra Expense coverage for not less than 50% of your gross sales or 12 months Actual Loss Sustained basis with extended period of indemnity of 180 days.

(4) Worker's compensation insurance and employer liability insurance with limits of no less than One Million Dollars ($1,000,000) bodily injury by accident for each accident, One Million Dollars ($1,000,000) by disease policy limit, and One Million Dollars ($1,000,000) by disease each employee.

(5) Professional Liability Insurance to cover the errors and omission of your professional staff in the providing of services to your guests with not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate limit of liability and including Abuse and Molestation with a minimum limit of Three Hundred Thousand ($300,000).

(6) Employment Practices Liability including third party coverage for employment related claims and harassment and discrimination claims from non-employees for not less than One Million Dollars ($1,000,000) aggregate naming us as a co-defendant.

(7) Automobile Liability of not less than $1,000,000 combined single limit for all owned, non-owned and hired vehicles used in the franchised business.

(8) Cyber Liability of not less than $500,000 to cover any claims related to cyber breaches and expenses including identity theft, ransomware, notification costs and PCI fines and penalties.

(9) Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Spa is located.

Approved Suppliers

If we have approved suppliers (including manufacturers, distributors and other sources) for any supplies, materials, fixtures, furnishings, equipment (including computer hardware and software), services and other products used or offered for sale at the Spa, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may change the number of approved suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item. We may profit from your purchases from approved suppliers, and we and/or our affiliates may receive payments, fees, commissions or reimbursements from approved suppliers in respect of your purchases.

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process. Nothing requires us to approve any particular supplier and we are not required to notify you of our approval or disapproval within any specified period of time. We will approve or disapprove a proposed supplier within 45 days of the date on which we receive all information we request about the proposed supplier. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

Some of our officers own an indirect interest in us and our affiliate, Radiance Distribution LLC. None of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of The Woodhouse Spas franchise system. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Purchasing Arrangements

We or our affiliate Radiance Distribution LLC may offer spa-related products or services for sale to you. We or our affiliates may derive income or other material consideration from required purchases or leases by franchisees. For our fiscal year ended December 31, 2025, we received $84,482 from a vendor as a result of purchases or leases of products and services by Franchisees. For fiscal year ended December 31, 2025, Radiance Distribution, LLC received $1,505,816, as a result of franchisee purchases of products.

For our fiscal year ended December 31, 2025, we received business development/marketing fund rebates based on franchisee purchases totaling $12,647, of which the entire amount was contributed to the advertising fund described in Item 11.

We have negotiated certain purchase arrangements (including price terms) for the purchase of certain items with suppliers. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We may receive rebates from approved or designated sources. We do not provide material benefits to franchisees based upon their purchase of particular products or services or their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

Your obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software from us or our designee, from suppliers we approve, or under our specifications are all considered "required purchases." We describe these obligations in detail in the

preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you make to establish and operate the Spa is difficult to determine due to the highly variable nature of expenditures necessary to establish and operate the Spa as described in Item 7. We estimate that your total initial required purchases will be about 89% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Spa will be 89% or more of your annual purchases or leases. The majority of these required purchases will be from third parties under our specifications.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Site Addendum to Franchise Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections II., VII., VIII., and XII. of Franchise Agreement	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Section II. of Franchise Agreement; Section III., Attachment F of Development Agreement	Items 1, 7, 8 and 11
d. Initial and ongoing training	Section VI.G. of Franchise Agreement	Items 6, 7 and 11
e. Opening	Sections II., VIII.F. and Attachment C of Franchise Agreement; Section III. and Attachment F of Development Agreement	Items 7 and 11
f. Fees	Sections IV. and VIII. of Franchise Agreement; Section II. of Development Agreement	Items 5 and 6
g. Compliance with standards and policies/ Manuals	Sections II., III., VI., VII., VIII., IX., X., XI., XII. of Franchise Agreement; Sections III. and VIII. of Development Agreement	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Sections IX. and X. and Attachments B and B-1 of Franchise Agreement; Section VIII. and Attachments B and B-1 of Development Agreement	Items 11, 13 and 14
i. Restrictions on products/services offered	Section VII. of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section VII.I. of Franchise Agreement	Item 16

Obligation	Section in Agreement	Disclosure Document Item
k. Territorial development and sales quotas	Section II. of Franchise Agreement; Section III. of Development Agreement	Item 12
1. Ongoing product/service purchases	Sections VII. and VIII. of Franchise Agreement	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections III. and VII. of Franchise Agreement	Item 8
n. Insurance	Section XII. of Franchise Agreement	Items 7 and 8
o. Advertising	Section VIII. of Franchise Agreement	Items 6, 8 and 11
p. Indemnification	Section XV. of Franchise Agreement; Section X. of Development Agreement	Item 6
q. Owner's participation/ management/ staffing	Sections VI. and VII. of Franchise Agreement; Section V. of Development Agreement	Items 1, 11 and 15
r. Records and reports	Sections IV., VIII. and XI. of Franchise Agreement	Item 11
s. Inspections and audits	Sections II., VII. and XI. of Franchise Agreement	Items 6 and I 1
t. Transfer	Section XIV. of Franchise Agreement; Section VII. of Development Agreement	Items 6, 10 and 17
u. Renewal or extension of rights	Section III. of Franchise Agreement; Section III. of Development Agreement	Items 6, 12 and 17
v. Post-termination obligations	Section XVIII. of Franchise Agreement; Section VI.F. of Development Agreement	Item 17
w. Noncompetition covenants	Section X. and Attachments B and B-1 of Franchise Agreement; Section VIII. and Attachments B and B-1 of Development Agreement	Item 17
x. Dispute resolution	Section XIX.G. of Franchise Agreement; Section XI. of Development Agreement	Item 17
y. Other (personal guarantee)	Section VI.D(2) of, and Attachment A to, Franchise Agreement; Section V.D(2) of, and Attachment A to, Development Agreement	Item 15

ITEM 10
FINANCING

Neither we nor any of our agents or affiliates offer any direct or indirect financing to you or guarantee any note, lease or obligation for you.

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

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

Pre-Opening Obligations: Before you open your Spa, we or our designee will:

1. Provide you with site selection assistance (which may include visits to the site, analysis of the surrounding demographics, and general site selection advice, the extent of which will vary based on the specific circumstances, including the location and condition of the proposed site). (Site Addendum to Franchise Agreement)

   You must identify and secure a site for your Woodhouse Spa within the Territory (if you have signed a Development Agreement) or within a non-exclusive Designated Area (if you have not signed a Development Agreement). We must accept the site as meeting our standards. You cannot place a Spa at a site we have not first accepted in writing. Your failure to obtain a site that we approve and open within the specified time period is a default under the Development and/or Franchise Agreement for which we may terminate.

   Within 90 days of execution of your Franchise Agreement, you must identify a proposed site to Franchisor. When you identify a proposed site, you must submit to us in writing a description of the site, evidence that the site satisfies our site selection guidelines and any other information we may require. We have 30 days to review your proposed site for compliance with our site selection guidelines and accept or not accept the site and your proposed lease or contract of sale within 30 days after receiving your site information. (Site Addendum to Franchise Agreement). In reviewing your proposed site, we consider various factors, including the condition of the building, the location of the site, population, and other demographic factors. If we accept multiple sites, you must notify us within 10 days of our acceptance of the sites of the site that you intend to acquire for the Spa. Our acceptance of a site does not guarantee that a Woodhouse Spa will be profitable or successful at that site. You must provide us with a copy of the proposed lease (which incorporates a rider in substantially the form of Exhibit 1 to the Franchise Agreement Site Addendum) or contract of sale for the site after we have approved the site. (Site Addendum to Franchise Agreement.) We typically do not own land or buildings that are leased to Franchisees.

   Within 180 days after signing the Franchise Agreement, you must enter into a lease or contract of sale for the site. You must provide us with a copy of the executed lease or contract of sale within 10 days of its signing. (Site Addendum to Franchise Agreement.)

   You must obtain all zoning classifications, clearances and approvals relating to the site and all required permits, licenses, and certifications. (Franchise Agreement, Section II.D.)

2. Provide you with access to our prototypical design plans and specifications for a Woodhouse Spa. (Site Addendum to Franchise Agreement.)

3. Provide you with electronic access to our Manuals. (Franchise Agreement, Section V.D.)

4. Provide you a list of any approved suppliers. (Franchise Agreement, Section V.J.)

5. Conduct an initial training program. (Franchise Agreement, Sections V.K. and VI.G.)

6. Give you on-site opening assistance, subject (as to scheduling) to the availability of our personnel. (Franchise Agreement, Section V.L.)

Typical Length of Time Before You Open Your Woodhouse Spa

We estimate that it will be approximately 14 months from the time you sign the Franchise Agreement to the time you open your Spa and begin operations. This time period may be shorter or longer depending on the modifications that must be made to the site to accommodate your Woodhouse Spa. You must begin business within 14 months after signing the Franchise Agreement, unless we give you a written extension. Failure to open the Spa within 14 months is considered a material default for which we have the right to terminate the Franchisee Agreement without providing you any opportunity to cure. (Franchise Agreement, Section II.D. and XVII.C.)

You may request a six-month extension of your required opening date for a particular Spa in exchange for payment of a $5,000 Extension Fee, which request we may grant or deny at our sole option. If we grant your extension request and you are party to both a Franchise Agreement and Development Agreement, you will pay only a single Extension Fee in connection with a particular Spa's specific opening deadline; that is, you will not owe separate extension fees under the Franchise Agreement and Development Agreement in connection with the extension of a specific deadline. However, for the avoidance of doubt, an extension only applies to a single deadline and does not extend or change the rest of the Development Schedule.

Continuing Obligations: After your Spa opens we will:

1. Conduct periodic evaluations of your operations. (Franchise Agreement, Section V.F.)
2. Administer an advertising fund and provide any advertising and promotional materials we develop for local advertising. (Franchise Agreement, Sections V.G. and VIII.)
3. Give you advice and written materials we may develop on the techniques of managing and operating Woodhouse Spas. (Franchise Agreement, Section V.H.)
4. At our discretion, make available to you at a reasonable cost any merchandise we develop or approve for resale. (Franchise Agreement, Section V.I.)
5. Give you updated lists of approved suppliers as we deem appropriate. (Franchise Agreement, Section V.J.)
6. Provide additional training programs at our option, in the format we choose. (Franchise Agreement, Sections V.K. and VI.G.)
7. Provide you with access to any proprietary software programs as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable license fee. (Franchise Agreement, Section V.E.)

Advertising

You must participate in all advertising and sales promotion programs that we may authorize or develop for Woodhouse Spas. (Franchise Agreement, Section VIII.A(2))

You must carry out a grand opening promotion for the Spa in accordance with our standards, including those related to the type and size of the grand opening promotion. You must obtain our approval of all advertising items, methods and media you use in connection with such grand opening promotion. You must spend at least $5,000 on the Spa's grand opening promotion. We reserve the right to require that you submit one or more expenditure reports to us, accurately reflecting your grand opening expenditures. (Franchise Agreement, Section VIII.F.)

You must market and advertise your Spa for at least two months prior to opening and three months post opening by participating in our New Location Launch Program. You must pay us $10,000 to direct a digital marketing campaign to promote the opening of your Spa. (Franchise Agreement, Section VIII.F.)

You must spend at least 3.75% of your Spa's Gross Sales on advertising. You must contribute to the brand's advertising fund ("Fund") in an amount we designate (currently 1.75% of Gross Sales), which contribution amount will not exceed 2% of Gross Sales. In addition to contributions you pay to the Fund, you must spend each quarter, at a minimum, 1.75% of Gross Sales for local advertising, marketing, and promotion of the Spa. If we determine that your documented spending on local advertising during the most-recently completed calendar quarter was less than the minimum required amount, we may collect the unspent amounts directly from you and deposit such amounts into the Fund, without any liability or obligation to us such amounts for your local advertising. (Franchise Agreement, Sections VIII.B., VIII.C.)

You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention, membership, or special promotional program that we implement for all or part of the Woodhouse franchise system and sign the forms and take the other action we require for you to participate in these programs. (Franchise Agreement, Section VIII.A(1).)

All advertising and promotions you place in any medium must be conducted professionally and must conform to our standards and requirements, as described in Item 8. (Franchise Agreement, Section VIII.G.)

We may require you to provide us a quarterly report of your local advertising expenditures within 15 days following the end of each calendar quarter. You cannot include expenditures for any of the following to satisfy your local advertising expenditure requirement: (i) incentive programs for your employees or agents; (ii) non-media promotional costs; (iii) charitable, political, or other contributions or donations; (iv) in-spa fixtures or equipment; (v) business directory listings, whether online or otherwise; or (vi) grand opening expenses. (Franchise Agreement, Section VIII.C.)

We can designate any geographic area in which 2 or more company-owned or franchised Woodhouse Spas are located as a region for an advertising cooperative ("Cooperative"). If we do, the Cooperative must be organized and governed as we determine and as stated in the written governing documents we require. Any Cooperatives we authorize will be for the exclusive purpose of administering advertising programs and developing promotional materials for members in local advertising. If a Cooperative is established for an area that includes your Protected Area (defined in Item 12 below), you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents. However, you will not be required to contribute more than the amount you would otherwise be required to spend on local advertising, and your Cooperative contribution will be applied toward satisfaction of your local advertising requirement. You must also submit to the Cooperative and to us all statements and reports that we or the Cooperative may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents, and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. We have the sole right to form, change, dissolve, and merge Cooperatives and to create and amend any organizational and governing documents of any Cooperative. (Franchise Agreement, Section VIII.D.) Each Cooperative must prepare annual, unaudited financial statements, which will be made available to contributing Cooperative members. Currently, we have not established any Cooperatives.

We have established a Fund to produce advertising for the System on a regional and/or national basis. In addition to your required minimum local advertising spending (individually or through a Cooperative), you must make weekly contributions to the Fund in the amount we designate (currently 1.75% of your Spa's Gross Sales), which required contribution will not exceed 2% of your Spa's Gross Sales. We and our affiliate's company-owned spas will contribute to the Fund generally on the same basis as you do for Woodhouse Spas that we or they operate. Our affiliate's company-owned spas contributed approximately 1.75% of their Gross Sales to the Fund in 2025.

We or someone we designate will administer the Fund. We will direct all advertising programs, including the creative concepts, materials and media used in the programs. We may use the Fund to satisfy the costs of promoting the brand and of maintaining, administering, directing, preparing and producing advertising.

This includes the cost associated with developing, maintaining and updating our Website, conducting consumer research, of preparing and producing television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. We are not required to make expenditures for you that are equivalent or proportionate to your Fund contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. Except for a portion of the Fund spent on Website development and maintenance (a portion of which may include soliciting the sale of franchises using the Website), the Fund is not used to solicit the sale of franchises.

We have formed a Franchise Advisory Board ("FAB"). The FAB provides advice to us on various matters, including advertising. The FAB serves in an advisory capacity only and has no operational or decision-making power. The FAB is currently composed of eight franchisee members who each serve for a one-year term. Six members are elected by franchisees that are in good standing. The final two members are appointed by the elected members of the FAB. We do not have the power to unilaterally change or dissolve the FAB. Any amendments to the FAB's bylaws must be adopted by a majority vote of the FAB members, and must be approved by our President or Chief Executive Officer, which approval will not be unreasonably withheld.

We will not use your Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead that we may incur in administering or directing the Fund. We may determine this overhead by a reasonable method of allocation. We will prepare an annual statement of the Fund's operations and will make it available to you if you request it. We are not required to have the Fund statements audited.

In our 2025 fiscal year, the Fund was spent as follows:

Acquisition (including social media and digital advertising)	59.5%
Cross Platform (including website development, email marketing, and asset creation)	11.7%
National Marketing (including PR and reputation management and guest services)	3.0%
Administrative Expenses (including overhead and payroll)	25.8%
Total	100%

Of the total Fund expenses accounted for in Administrative Expenses, 67.1% was spent to offset salaries and wages.

Although the Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Fund, however, until all money in the Fund has been spent for advertising or promotional purposes or returned to the contributors on the basis of their respective contributions. (Franchise Agreement, Section VIII.E.)

Computer and Point-of-Sale System Requirements

You must install and maintain the number of computers and tablets at the Spa that we require and that are capable of running the software that we require. Currently, we require you to have at least 5 computer stations. The computers must be equipped with computer hardware components, software, and peripherals that we require including printers and cash drawers. We currently require you to purchase, lease, or license

certain hardware or software from suppliers we designate, though we reserve our right to require you to purchase, lease, or sublicense certain hardware or software from us or our affiliates in the future.

You must purchase from our approved supplier certain Computer and IT Systems and Components we require, including voice and Internet telecommunication systems, data cabling, sound equipment system, surveillance (audio/video) system, sound masking system, overhead music system, and messaging on hold system that meet our specifications. We may change our Computer and IT Systems and Components and Additional IT Related Services requirements at any time.

You must install, run, and pay all related fees for the booking and point of sale software we require. As of the date of this disclosure document, these fees are included in the Technology Management Fee you pay to us, which covers internal costs associated with managing the various technical platforms and business tools.

You must also install, maintain, and pay for the marketing and communications software we require.

You must install Internet navigation software and maintain a high-speed Internet connection (with email capability) at the bit speed we require.

We estimate the cost of the computer system will be approximately $58,500 to $70,000, depending on the size of the Woodhouse Spa. We estimate the cost of IT related services (such as ISP, Audio Source, MSP, alarm monitoring) will be approximately $400 to $600 per month. As of the date of this disclosure document, you must also pay a $550 monthly technology management fee to us, which covers internal costs associated with managing the various technical platforms and business tools as well as licensing, development and implementation of such systems. The amount of this fee may increase as our costs to provide technology-related services increase upon prior written notice to you.

Except for the services covered by the technology management fee neither (i) we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system nor (ii) are there any optional or required maintenance/upgrade contracts for the point of sale or computer system.

You must install any other hardware or software for the operation of the Woodhouse Spa that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Woodhouse Spas. We may require you to submit sales data electronically to allow us to compile sales data, consumer trends, costs, and other financial and marketing information we deem appropriate. We may require you to provide us with independent access to information and data maintained on your computer system. There is no contractual limitation on the frequency or cost of these obligations or on our ability to access your information.

You are required to participate in our online reservation system ("Online Reservation System").

Operations Manual

During our initial training, we will provide you with access to our Manuals, all of which may be online. A copy of the table of contents of the Manuals is attached as Exhibit F to this disclosure document. The total number of pages in the Manuals is 93. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals.

Training

Before the Opening Date of your Spa, your Operating Principal and General Manager (if applicable) must have attended and satisfactorily completed our initial training program. (Franchise Agreement, Section VI.G.)

Our training is administered and directed by Lisa O'Brien who has been our Vice President of Operations since June 2024. Lisa has 14 years of experience working in franchising. Lisa may be assisted by other qualified members of Woodhouse Spa staff who have at least 12 months of experience in their respective industry.

Our initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of your new Woodhouse Spas. Our initial training is divided into three parts.

The subjects covered and other information relevant to our initial training program are described below:

INITIAL TRAINING PROGRAM

Initial Training (See Note 1)

Part One

The first part of initial training is a series of weekly educational calls or webinars provided following execution of your Franchise Agreement and prior to opening. The first part takes approximately 16 weeks to complete.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Operations and Marketing Best Practices	Minimum of sixteen (16) 1 Hour Courses	-	Virtual

Phase Two

The second part is provided following execution of your Franchise Agreement and approximately 3-8 weeks prior to opening your Spa, and takes place at our corporate office in Lakewood, Colorado, virtually, or on-site at a Spa we designate. The second part takes approximately three (3) days to complete.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Branding - The Woodhouse Way	Minimum of 2 Hours per day for 3 days	-	Lakewood, Colorado, virtually, or at a Spa location designated by us
Exploring Roles	Minimum of 1 Hour per day for 3 days	-	Lakewood, Colorado, virtually, or at a Spa location designated by us
Front and Back of House Operational Best Practices	Minimum of 3 Hours per day for 3 days	-	Lakewood, Colorado, virtually, or at a Spa location designated by us

Phase Three (See Note 2)

The third part is provided following your receipt of Certificate of Occupancy for your Spa and takes place on-site at your Spa approximately a week prior to opening. The third part takes approximately four days.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Spa Set up, Services and Protocols	-	32	On Site at your Spa

Note:

(1) The time periods allocated to the subject listed above are approximations, and the time actually spent by your Operating Principal and General Manager (if applicable), and Spa team members (if applicable), may vary based on the experience and performance of those persons trained.

(2) We may provide training support, education, or guidance to you and your Spa team members on brand standards and protocols for performing the services for the sole purpose of creating consistent client experience to protect the reputation and goodwill of the Woodhouse system, brand, and trademarks. You remain solely responsible for the training and day-to-day performance of all employees and team members working at your Spa and for following all municipal, state, and federal rules, laws, and statutes pertaining to employees and spa professionals.

The instructional materials used in training include manuals, PowerPoint presentations, handouts, demonstrations, quizzes, lectures and discussions, videos, and webinars.

You must pay us an Initial Training Fee in the amount of $5,000 for your Operating Principal and General Manager to participate in our initial training program. You must pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals, and wages. We may charge a reasonable training fee for training all successor or replacement personnel. (Franchise Agreement, Section VI.G.)

We may require your Operating Principal, General Manager, and/or management-level employees to attend or participate in additional training programs and other informational programs. We have the right to charge a reasonable fee for these additional training and other informational programs. You must pay all expenses you or your personnel incur in any training or other informational program (including the classroom and components of the initial training program), including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section VI.G.)

We may conduct seminars or conventions from time-to-time for the benefit of all franchisees whose attendance may or may not be mandatory. When attendance is mandatory, we will provide you with reasonable notice in writing. Your failure to attend mandatory seminars or conventions will be treated as a default under the Franchise Agreement. However, under our current policy (which we may change at any time) you will have the ability to cure the default by attending a similar seminar or convention that is regularly offered by us within a period of 120 days from the original seminar or convention. We may charge a fee up to $1,000 per person to attend our annual franchisee convention. If you fail to attend our annual franchisee convention, we may charge you a fee up to $1,000 per Spa regardless of attendance. We will bear the expense of materials and location and you must pay for the expense of salaries, travel, meals, lodging, and miscellaneous expenses of your personnel attending such seminars or conventions.

ITEM 12
TERRITORY

Franchise Agreement

The Franchise Agreement gives you the right to operate a single Woodhouse Spa at a site you select and we accept as meeting our site selection guidelines (the "Location"). Unless you sign a Development Agreement, in which case the process is described below, you must select the site for your Spa from within the designated geographic area ("Designated Area") identified in the Site Addendum to your Franchise Agreement.

If you are in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a Woodhouse Spa in the geographic area identified in Attachment C of the Franchise Agreement (the "Protected Area") during the term of the Franchise Agreement. The Protected Area will be a maximum radius of six (6) miles around your Spa. However, the actual size and shape of the Protected Area will be determined based on several factors, including natural or man-made barriers that demarcate a specific trade area, population density, income level and the number of households and businesses in the area. For example, in areas of higher population density, such as urban centers, your Protected Area may be significantly smaller.

Continuation of your Protected Area does not depend on the achievement of a certain sales volume, market penetration or other contingency. There are no circumstances that would permit us to modify your territory rights during the term of the Franchise Agreement, but we may modify your Protected Area upon renewal. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign a Development Agreement or another Franchise Agreement with us. We do not grant rights of first refusal under any agreements.

You must operate the Spa only at the Location. You cannot relocate the Spa without our consent. If you lose possession of the Location through no fault of your own, you must apply to us within 30 days for our approval to relocate your Spa. You must relocate to another site in the Protected Area.

We and our affiliates retain all other rights. Among other things, this means we and our affiliates can:

(i) Develop and establish other business systems using the Marks, or other names or marks, and grant licenses to use those systems without providing any rights to you;

(ii) Advertise and promote the System in the Protected Area;

(iii) Operate, and license others to operate, Woodhouse Spas at any location outside the Protected Area; and

(iv) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the Marks or under other names or marks) through any channel or by any method of distribution (including the Internet) other than a Woodhouse Spa on any terms and conditions we deem appropriate.

Due to our reserved rights listed above, you will not receive an exclusive territory under your Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we or our affiliates control. The restrictions on our right to operate, or license others to operate, in your Protected Area do not apply to any Woodhouse Spa existing or under development on the date your Franchise Agreement is signed. We are not required to pay you if we or our affiliates exercise any of the rights specified above inside or outside your Protected Area.

There are no restrictions on our right to solicit or accept business from consumers inside the Protected Area without paying any compensation to you.

You may only use the Internet to advertise on our Website in compliance with the Franchise Agreement.

We may sell certain spa- and beauty-related products at retail to consumers on the internet and through any other channels, whether inside or outside Your Protected Area or Territory. We have no obligation to share any portion of the revenue we receive from retail sales to consumers.

Development Agreement

If you sign a Development Agreement, we grant you a geographic are ("Territory") within which you must develop two (2) or ten (10) Spas under a prescribed Development Schedule. We determine the Territory before you sign the Development Agreement based on various market and economic factors like market demographics, the penetration of Woodhouse Spas and similar businesses in the market, the availability of

appropriate sites, and growth trends in the market. The Territory may be all or a portion of a city, a single or multi-county area, or some other area, and will be described in Exhibit E to the Development Agreement. Each site for each Spa that you develop under a Development Agreement must satisfy our then-current site selection requirements. You cannot place a Spa at a site we have not first accepted in writing.

You must develop Spas in the Territory under the Development Schedule in Attachment F of the Development Agreement. Before you sign a Development Agreement, we will establish the Development Schedule in our sole determination. Generally, you will have 14 months from signing your Development Agreement to open your first Spa and an additional 12 months thereafter to open your second Spa. If you stop operating any Spa during the term of the Development Agreement, you must develop a replacement Spa within a reasonable time (not to exceed 210 days) after you stop operating the original Spa. If, during the term of the Development Agreement, you transfer your interest in a Spa in compliance with the related Franchise Agreement for the Spa, the transferred Spa will continue to be counted in determining whether you have complied with the Development Schedule, unless the transferred Spa is no longer operated as a Woodhouse Spa, in which case you must develop a replacement Spa within a reasonable time (not to exceed 210 days) after the transferred Spa ceases to be operated as a Woodhouse Spa.

Upon the opening of a Spa under a Franchise Agreement executed pursuant to your Development Agreement, the Spa will have a Protected Area pursuant to its Franchise Agreement, as described above.

Subject to your full compliance with the Development Agreement and all other agreements that you or your affiliates have with us or our affiliates, then we and our affiliates will not establish, or authorize anyone except you to establish, Woodhouse Spa in the Territory during the term of the Development Agreement.

We retain all other rights. Among other things, this means we can conduct activities in the Territory like those described above in relation to the Protected Area. We do not grant rights of first refusal under any agreements.

We and our affiliates retain all other rights. Among other things, this means we and our affiliates can:

(i) Develop and establish other business systems using the Marks, or other names or marks, and grant licenses to use those systems without providing any rights to you;

(ii) Advertise and promote the System in the Territory;

(iii) Operate, and license others to operate, Woodhouse Spas at any location outside the Territory; and

(iv) Within and outside the Territory, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the Marks or under other names or marks) through any channel or by any method of distribution (including the Internet) other than a Woodhouse Spa on any terms and conditions we deem appropriate.

Subject to the exclusions listed above and your full compliance with the Development Agreement and all other agreements that you or your affiliates have with us or our affiliates, you will have the exclusive right to establish Woodhouse Spas in the Territory during the term of the Development Agreement. Your exclusivity within the Territory ends upon the expiration or earlier termination of the Development Agreement. Nevertheless, due to our reserved rights listed above, you may face competition from other franchisees, from Woodhouse Spas that we or our affiliates own, or from other channels of distribution or competitive brands that we or our affiliates control. The restrictions on our right to operate, or license others to operate, in your Territory do not apply to any Woodhouse Spa existing or under development on the date your Development Agreement is signed. We are not required to pay you if we or our affiliates exercise any of the rights specified above inside or outside your Territory.

If you fail to comply with the Development Schedule, or otherwise default under the Development Agreement, then we may (in addition to our other remedies) terminate or modify your territorial rights,

reduce the area of territorial rights, or reduce the number of Spas that you may establish. When the Development Agreement expires or is terminated, you cannot develop additional Spas in the Territory and we may develop or authorize others to develop, Woodhouse Spas in the Territory and exercise all rights not expressly granted to you under your Franchise Agreements.

Except as described above, the continuation of any Territory rights granted to you does not depend on the achievement of a certain sales volume, market penetration, or other contingency, and we may not alter your Territory.

You may only use the Internet to advertise on our Website in compliance with the Franchise Agreement.

We may sell certain spa- and beauty-related products at retail to consumers on the internet and through any other channels, whether inside or outside Your Protected Area or Territory. We have no obligation to share any portion of the revenue we receive from retail sales to consumers.

ITEM 13
TRADEMARKS

The Franchise Agreement gives you a license to operate a Woodhouse Spa under the Mark "The Woodhouse Day Spa" and to use any future Marks we authorize.

We have registered the following Marks on the Principal Register of the United States Patent and Trademark Office. We intend to renew the registrations and to file all appropriate affidavits at the appropriate times required by law.

MARK	REGISTRATION NUMBER	REGISTRATION DATE
THE WOODHOUSE DAY SPA	2,947,742	May 10, 2005
THE WOODHOUSE day spa	4,101,913	February 21, 2012
WOODHOUSE	7,065,873	May 30, 2023
WOODHOUSE SPA	7,072,214	June 06, 2023
WH	7,321,033	March 5, 2024

At this time, we do not have federal registrations for the Marks listed above. The applications are pending. These Marks do not have the same legal benefits and rights as federally registered trademarks. If our right to use these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There is no presently effective determination of the United States Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Mark which is relevant to its ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Mark, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to the franchise.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Mark or if the proceeding is resolved unfavorably to you.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim of this type. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or United States Patent and Trademark Office (or other) proceeding, arising out of any infringement, challenge or claim concerning any of the Marks. You must execute all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or patent applications that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, websites, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Woodhouse Spa and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement or the Development Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You and your Principals must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Principals must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Principals can give this confidential information only to your employees who need it to operate your Woodhouse Spa. You must have your General Manager and any of

your other personnel who have received or will have access to our confidential information sign similar covenants.

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

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

When you sign the Development Agreement (if applicable) and Franchise Agreements, you must designate an individual to serve as your "Operating Principal." If you are an individual, you will be the Operating Principal. If you are not an individual, your Operating Principal must maintain a direct or indirect ownership interest in you of not less than 25%, unless we consent otherwise. This interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest, or purchase right or option, without our consent.

The Operating Principal must meet our qualifications and must be approved by us. The Operating Principal for all Woodhouse Spas operated by you and, if applicable, your affiliates, must be the same person, and the same person must act as your Operating Principal under the Development Agreement and all Franchise Agreements between us.

Unless a General Manager is appointed, as discussed below, your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the Development Agreement (if applicable) and Franchise Agreements and may not engage in any other business. He or she must satisfy our training requirements and our other standards and must guaranty your performance under the Agreements. Your Operating Principal will be individually, jointly and severally bound by all of your obligations and the obligations of the Operating Principal and a Principal under the Franchise Agreement and the Development Agreement.

You may, at your option and subject to our written consent, designate a General Manager to supervise your operations under the Development Agreement (if applicable) and Franchise Agreements. Even if we permit you to designate a General Manager to supervise your operations under the Agreements, your Operating Principal remains ultimately responsible for the General Manager's performance. The General Manager must devote his or her full time and best efforts to the supervision of your operations under the Agreements.

You must notify us promptly if your Operating Principal or General Manager cannot continue to serve or no longer qualifies as an Operating Principal or a General Manager. You will have 30 days from the date of the notice (or from any date that we independently determine the Operating Principal or General Manager no longer meets our standards) to take corrective action. During that 30-day period, you must provide for interim management of your operations in compliance with the Franchise Agreement and the Development Agreement.

You must also designate retain at all times during the term of the Franchise Agreement an adequate amount of personnel to operate your spa: this typically requires at least 1 registered massage therapist; at least 1 licensed esthetician; and at least 1 licensed nail technician. The massage therapist, esthetician, and nail technician must at all times maintain all licenses and/or registrations required under applicable laws or regulations.

We require your current and future Principals to sign a Guaranty in the form of Attachment A to the Franchise Agreement and, if applicable, the Development Agreement, guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement and, if applicable, the

Development Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. If you are an individual, your spouse may be required to sign the Guaranty, making your spouse jointly and severally liable for your obligations.

At our request, you must have your General Manager and any other personnel who will have access to our training agree in writing to maintain the confidentiality of information they have access to through their relationship with you. These covenants will be in the form of Attachment B-1 to the Franchise Agreement and Attachment B-1 to the Development Agreement. Those of your Principals who are not signing the Guaranty must execute confidentiality and non-competition covenants in the form of Attachment B to the Franchise Agreement and Attachment B to the Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or sell at the Spa must conform to our standards and specifications. (See Item 8.) These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Spa.

You must offer and sell all products and services we require. You must sell only the products and services that we have expressly approved in writing. You must stop selling any products or services that we disapprove in writing. You must open and operate the Spa during the hours we specify in the Manual or otherwise in writing. We have the absolute right to remove all unapproved products, goods and materials from Woodhouse Spas.

We reserve the right to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

You may not advertise, promote, post, or list information relating to the Spa on the Internet (through the creation of a Website or otherwise), unless we decide to include information about your Spa on our Website or we otherwise approve of such activity in writing.

You may offer and sell Spa products and services which we have approved in writing only through your internal page on our Website in accordance with our standards, protocols and restrictions. You must cease offering or selling Spa products and services through the Internet immediately upon written notice from us.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or on sell or the customers to whom you may offer or sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the Franchise Agreement, the Development Agreement, and related agreements. You should read these provisions in the Franchise Agreement and the Development Agreement attached to this disclosure document.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section III.A.	10 year initial term.
b. Renewal or extension of the term	Section III.B.	1 additional 10 year term.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section III.B.	Your renewal rights permit you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other conditions include: Give written notice; update required items; not be in default; pay all money owed; retain right to Location; pay is a renewal fee; execute general release (See Exhibit G); comply with then-current qualifications and training requirements.
d. Termination by franchisee	None except as may be permitted under applicable law.	There is no contractual termination right. You may be permitted to terminate the Franchise Agreement under applicable law (subject to state law).
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section XVII.	We may terminate on your default of the Franchise Agreement. Termination of any Franchise Agreement between you and us provides us the right to terminate any other Franchise Agreement between you (or your affiliate) and us. Termination of any Development Agreement between you and us does not provide us the right to terminate any Franchise Agreement between you and us.
g. "Cause" defined - curable defaults	Section XVII.D.	For any default except those specified non-curable you have 30 days to cure (5 days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks; 7 days if you fail to obtain the required insurance coverages; 10 days you fail to comply with the noncompetition covenants).

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - non-curable defaults	Sections XVII.B. and XVII.C.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Spa at location that we have not accepted; failure to obtain acceptance of proposed site or acquire Location, to construct or remodel in accordance with prototypical plans, to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program; default of any other franchise agreement; repeated defaults whether or not cured.
i. Franchisee's obligations on termination/non-renewal	Section XVIII.	Stop operating your Spa and using the System's confidential methods, procedures techniques and marks; cancel any registration containing the Marks; pay amounts due and our damages and enforcement costs; pay liquidated damages to us if the Franchise Agreement is terminated due to your default; pay us an amount equal to 50% the total outstanding balance of all coupons, gift cards, gift certificates and vouchers issued by the Spa as of the date of termination or expiration; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises.
j. Assignment of contract by franchisor	Section XIV.A.	We may transfer our rights without restriction.
k. "Transfer" by franchisee – definition	Sections XIV.B. and XIV.D.	You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent. A Principal not signing the Guaranty may assign a non-controlling interest in you without our consent on notice to us.
l. Franchisor approval of Transfer by franchisee	Section XIV.B.	We must consent and you must meet conditions before transferring.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section XIV.B.	Pay all amounts due; not be in default; execute a general release (see Exhibit G); pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current franchise agreement and upgrade the Spa.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XIV.E.	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase franchisee's business	Sections XVIII.A (8) and (9) and XVIII.B.	Upon termination or expiration we have the option to purchase your advertising materials bearing the Marks at your cost. We have the option to purchase the furnishings, equipment, signs, fixtures, supplies, materials and other assets, at fair market value, and, if you own the land were the Spa is located, we have the option to lease the land (and any building on the land used for the operation of the Spa), for fair market value. We have the option to have the lease for the premises of the Spa assigned to us.
p. Death or disability of franchisee	Section XIV.F.	On death or permanent disability of you or a Principal the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section X.C.(l)	You may not operate or have an interest in a business which is similar to the franchised business (non-competition provisions are subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Sections X.C.(2)	For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business at the Location, within the Protected Area, or within a 6-mile radius of the location of any Woodhouse Spa then in existence or under construction (non-competition provisions are subject to state law).
s. Modification of the agreement	Sections X.A. and XIX.B.	Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section XIX.B.	Except as otherwise required by applicable state law, only the terms of the Franchise Agreement, franchise disclosure document, and other related written agreements are binding. No other representations or promises are binding. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section XIX.G.	Except as otherwise required by applicable state law, claims, controversies or disputes arising out of or relating to the Franchise Agreement must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property.
v. Choice of forum	Sections XIX.G. and XIX.H.	Except as otherwise required by applicable state law, mediation in Lakewood, Colorado, except actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information. (See state specific addenda.) Venue for any other proceeding is the state or federal court encompassing Lakewood, Colorado.
w. Choice of law	Section XIX.I.	Except as otherwise required by applicable state law, the Franchise Agreement is to be interpreted and construed under Colorado law, except for Colorado choice of law rules. (See state specific addenda.)

Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section IV.	The earlier of the date your development obligations are complete or 12:00 midnight on the last day specified in the Development Schedule.
b. Renewal or extension of the term	Section III.B.	We may extend the term of the Development Agreement to allow you to develop a replacement Spa.
c. Requirements for franchisee to renew or extend	Section III.B.	If the extension is to permit you to develop a replacement Spa, you must develop the replacement within 210 days.

Provision	Section in Development Agreement	Summary
d. Termination by franchisee	None except as may be permitted under applicable law.	There is no contractual termination right. You may be permitted to terminate the Development Agreement under applicable law (subject to state law).
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section VI.	We may terminate on your default of the Development Agreement. Your default of any Franchise Agreement between you (or your affiliate) and your failure to cure the default provides us the right to terminate the Development Agreement between you and us.
g. "Cause" defined - curable defaults	Section VI.C.	For any default except those specified as noncurable you have 30 days to cure (5 days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks; 7 days if you fail to obtain the required insurance coverages).
h. "Cause" defined - non-curable defaults	Section VI.A. and VI.B.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; failure to qualify for grant of license, comply with development schedule, to develop replacement Spa and to execute Franchise Agreement; conviction of certain crimes; unauthorized transfer; failure to comply with certain confidentiality covenants; breach of any covenants or false representations; failure to effect approved transfer upon death or permanent disability; repeated defaults whether or not cured; default under any other franchise agreement and failure to cure.
i. Franchisee's obligations on termination/non-renewal	Section VI.F.	You will have no right to establish or operate any Spa for which a Franchise Agreement has not been executed; you must pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section VII.A.	We may transfer our rights without restriction.

Provision	Section in Development Agreement	Summary
k. "Transfer" by franchisee – definition	Sections VII.B. and VII.C.	Includes transfer, assignment, or sale of any direct or indirect interest in you, the Development Agreement, or any business operated under the Development Agreement (except as provided in the relevant Franchise Agreement).
l. Franchisor approval of Transfer by franchisee	Section VII.B.	You may not transfer any direct or indirect interest in you, the Development Agreement, or the assets of the business, except a person other than a Principal who has signed a Guaranty may transfer a non-controlling interest in you without our consent on notice to us.
m. Conditions for franchisor approval of transfer	Section VII.C.	A person other than a Principal who has signed a Guaranty may transfer a non-controlling interest in you on notice to us as long as the transferee is not a competitor and, upon our request, signs a Guaranty and/or a confidentiality agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section VII.D.	On death or permanent disability of you or a Principal the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	Section VIII.B.(1)	You may not operate or have an interest in a business which is similar to the franchised business (non-competition provisions are subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	Section VIII.B.(2)	For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business within the Territory or within a 6-mile radius of the location of any Woodhouse Spas then in existence or under construction (non-competition provisions are subject to state law).
s. Modification of the agreement	Section XI.B.	Except for changes we can make unilaterally, changes require mutual agreement.

Provision	Section in Development Agreement	Summary
t. Integration/merger clause	Section XI.B.	Except as otherwise required by applicable state law, only the terms of the Development Agreement, franchise disclosure document, and other related written agreements are binding. No other representations or promises are binding. Notwithstanding the foregoing, nothing in any Development Agreement is intended to disclaim the express representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section XI.E.	Except as otherwise required by applicable state law, claims, controversies or disputes from or relating to the Development Agreement must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property.
v. Choice of forum	Sections XI.E. and XI.F.	Except as otherwise required by applicable state law, mediation in Lakewood, Colorado, except actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information. (See state specific addenda.) Venue for any other proceeding is the state or federal court encompassing Lakewood, Colorado.
w. Choice of law	Section XI.G.	Except as otherwise required by applicable state law, the Development Agreement is to be interpreted and construed under Colorado law, except for Colorado choice of law rules. (See state specific addenda.)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

FRANCHISED LOCATION SALES SUMMARY

The figures in Table 1 below represents the average and median 2025 Gross Sales and Gift Card Sales for Woodhouse Spa franchised locations in the United States that met or exceeded the 2025 Reporting Criteria as defined below, on a total basis and by top and bottom 25% and 50% performance.

The figures in Table 2 below represent the average and median Gross Sales during calendar years 2023, 2024, and 2025 reported by Woodhouse Spa franchised locations that satisfied the 2023 Reporting Criteria, 2024 Reporting Criteria, or 2025 Reporting Criteria, as applicable and as defined below. The characteristics of the Woodhouse Spa franchised locations included in the following table do not differ materially from those of a franchise offered under this disclosure document. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon its reasonable written request.

Tables 1 and Table 2 include information for Woodhouse Spa franchised locations in the United States that met or exceeded all of the following criteria as of the last day of December 31, 2025 ("2025 Reporting Criteria"): (a) was first open for business prior to January 1, 2025; (b) was open and operating in the United States under a Franchise Agreement as of December 31, 2025; (c) was not owned, operated, or under contract to purchase by Franchisor or any of its affiliates at any time during 2024; (d) was at least 3,000 square feet (there are two existing traditional locations that are far smaller than 3,000 square feet and that therefore fall below current required brand standards, a similar location would not be approved today or moving forward absent exceptional circumstances, and, as a result, they are not representative of a new location that a franchisee may operate); and (e) submitted all required sales reports during 2025.

Table 2 includes information regarding the Woodhouse Spa franchised locations in the United States that met or exceeded all of the following criteria as of the last day of December 31, 2024 ("2024 Reporting Criteria"): (a) was first open for business on or before January 1, 2024; (b) was open and operating in the United States under a Franchise Agreement as of December 31, 2024; (c) was not owned, operated, or under contract to purchase by Franchisor or any of its affiliates at any time during 2024; (d) was at least 3,000 square feet; and (e) submitted all required sales reports during 2024.

Table 2 includes information regarding the Woodhouse Spa franchise locations in the United States that met or exceeded all of the following criteria as of the last day of December 31, 2023 ("2023 Reporting Criteria"): (a) was first open for business on or before January 1, 2023; (b) was open and operating in the United States under a Franchise Agreement as of December 31, 2023; (c) was not owned, operated, or under contract to purchase by Franchisor or any of its affiliates at any time during 2023; (d) was at least 3,000 square feet; and (e) submitted all required sales reports during 2023.

The characteristics of the Woodhouse Spa franchised locations included in the following tables do not differ materially from those of a franchise offered under this disclosure document.

Table 1 and Table 2 were prepared from the records and reports, as reported by Franchisees of each of the Woodhouse Spas locations satisfying the 2025 Reporting Criteria, 2024 Reporting Criteria, or 2023 Reporting Criteria, as applicable. We have relied on the information reported to us by Franchisees. We do not know of an instance, nor do we have reason to believe, that any Franchisee would misstate its information. Table 3 was prepared from information of company-owned locations.

"Gross Sales" means the total revenue collected from the sale of all services and products and all other income of every other kind and nature related to the Spa, including income from the sale of products and services over the internet and proceeds of business interruption insurance, whether received for cash, credit, or otherwise, but expressly excluding (i) tips or gratuities received by employees, (ii) any sales, use, or similar taxes collected from customers and remitted to any governmental taxing authority, and (iii) the value of any discounts or allowances issued or granted to customers and applied in full or partial satisfaction of the price of any products and services sold by the Spa. "Gift Card Sales" means the proceeds collected from the sale of coupons, gift cards, gift certificates or vouchers that are redeemable for future services or retail

products. For the avoidance of doubt, Gross Sales includes Gift Card Sales.

The term "Average" refers to the sum of all data points in a set, divided by the number of data points in that set. The term "Median" refers to the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event that the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two. As a result, in all cases when a median number is stated, approximately 50% of the Franchised Locations met or exceeded the stated median.

Some outlets have sold or achieved this amount. Your individual results may differ. There is no assurance that you'll sell or achieve as much.

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, income, costs, or profits of a Woodhouse Spa other than that disclosed here.

TABLE 1
AVERAGE AND MEDIAN GROSS SALES AND GIFT CARD SALES FOR 2025

Franchise Summary			
	# of Locations	**Average Gross Sales**	**Average Gift Card Sales**
Top 25%	21	$4,178,778	$1,599,019
Top 50%	41	$3,579,868	$1,355,510
Bottom 50%	40	$1,821,300	$660,164
Bottom 25%	20	$1,353,204	$499,174
Average	**81**	**$2,711,439**	**$1,012,129**
Median		**$2,596,280**	**$958,879**
Highest		**$6,830,937**	**$2,472,330**
Lowest		**$816,325**	**$273,035**
Avg Met or Exceeded		39	34
% of System		*48%*	*42%*
Med Met or Exceeded		41	41
% of System		*51%*	*51%*

Notes

1. As of December 31, 2025, we had 89 Woodhouse Spa franchised locations open and operating in the United States. Of this total, 81 (91%) Woodhouse Spas franchised locations met the 2025 Reporting Criteria and 8 (9%) Woodhouse Spa franchised locations did not meet the 2025 Reporting Criteria. One franchised outlet closed during 2025 (which had been open for more than 12 months).

2. Of the 81 Woodhouse Spas franchised locations that met the 2025 Reporting Criteria, 21 locations (the Top 25%) are included in this performance band. Of these 21 locations, 8 (38%) met or exceeded the Average Gross Sales, and the Median Gross Sales was $3,932,921; 8 (38%) met or exceeded the Average Gift Card Sales, and the Median Gift Card Sales was $1,467,263. The maximum and minimum Gross Sales were $6,830,937 and $3,312,773, respectively, and the maximum and minimum Gross Gift Card Sales were $2,472,330 and $835,462, respectively.

3. Of the 81 Woodhouse Spa franchised locations that met the 2025 Reporting Criteria, 41 locations (the Top 50%) are included in this performance band. Of these 41 locations, 15 (37%) met or exceeded the Average Gross Sales, and the Median Gross Sales was $3,328,447; 16 (39%) met or exceeded the Average Gift Card Sales, and the Median Gift Card Sales was $1,226,442. The

maximum and minimum Gross Sales were $6,830,937 and $2,513,247, respectively, and the maximum and minimum Gross Gift Card Sales were $2,472,330 and $574,427, respectively.

4. Of the 81 Woodhouse Spa franchised locations that met the 2025 Reporting Criteria, 40 locations (the Bottom 50%) are included in this performance band. Of these 40 locations, 19 (48%) met or exceeded the Average Gross Sales, and the Median Gross Sales was $1,789,306; 21 (53%) met or exceeded the Average Gift Card Sales, and the Median Gift Card Sales was $695,057. The maximum and minimum Gross Sales were $2,894,136 and $816,325, respectively, and the maximum and minimum Gross Gift Card Sales were $1,155,752 and $273,035, respectively.

5. Of the 81 Woodhouse Spa franchised locations that met the 2025 Reporting Criteria, 20 locations (the Bottom 25%) are included in this performance band. Of these 20 locations, 10 (50%) met or exceeded the Average Gross Sales, and the Median Gross Sales was $1,367,978; 9 (45%) met or exceeded the Average Gift Card Sales, and the Median Gift Card Sales was $469,651. The maximum and minimum Gross Sales were $1,761,341 and $816,325, respectively, and the maximum and minimum Gross Gift Card Sales were $780,175 and $273,035, respectively.

TABLE 2
AVERAGE AND MEDIAN GROSS SALES FOR 2023, 2024, AND 2025

Franchise Summary			
	2023 Gross Sales	**2024 Gross Sales**	**2025 Gross Sales**
# of Spas	71	76	81
Average	$2,336,270	$2,496,638	$2,711,439
Avg YoY		*6.9%*	*8.6%*
Median	$2,238,850	$2,452,249	$2,596,280
Highest	$4,974,717	$5,668,046	$6,830,937
Lowest	$241,552	$166,026	$816,325
# Met or Exceeded Avg	34	36	39
% of System	*48%*	*47%*	*48%*
# Met or Exceeded Med	36	38	41
% of System	*51%*	*50%*	*51%*

Notes

1. As of December 31, 2025, we had 89 Woodhouse Spa franchised locations open and operating in the United States. Of this total, 81 (91%) Woodhouse Spas franchised locations met the 2025 Reporting Criteria and 8 (9%) Woodhouse Spa franchised locations did not meet the 2025 Reporting Criteria. One franchised outlet closed during 2025 (which had been open more than 12 months).

2. As of December 31, 2024, we had 84 Woodhouse Spa franchised locations open and operating in the United States. Of this total, 76 (90%) Woodhouse Spas locations met the 2024 Reporting Criteria and 8 (10%) Woodhouse Spa locations did not meet the 2024 Reporting Criteria. Two franchised outlets closed during 2024 (both had been open more than 12 months).

3. As of December 31, 2023, we had 80 Woodhouse Spa franchised locations open and operating in the United States. Of this total, 71 (89%) Woodhouse Spas locations met the 2023 Reporting Criteria and 9 (11%) Woodhouse Spa locations did not meet the 2023 Reporting Criteria. No franchised outlets closed during 2023.

2025 COMPANY-OWNED SPA PROFITABILITY

The following table presents the 2025 Gross Sales, Spa-Level EBITDA, and operating expense figures for company-owned Spas that had been operating for at least 12 months as of the end of 2025. At the end of our most recent fiscal year ended December 31, 2025, we had a total of four (4) company-owned Spas. Of those four (4) company-owned Spas, two (2) have been operated by us in Texas for over five (5) years, and two (2) have been operated by us in Colorado for over three (3) years. No company-owned Spas closed in 2025.

TABLE 3

Company Spas Average Gross Sales & Operating Expenses for 2025		
	$	% of Gross Sales
Average Gross Sales	**3,146,138**	**100.00%**
Cost of Sales	1,057,997	33.63%
Personnel Costs	581,612	18.49%
Lease Expense	304,489	9.68%
Royalty Fees and Advertising Fund C	244,016	7.76%
Credit Card and Bank Fees	82,054	2.61%
Insurance	53,839	1.71%
Advertising and Marketing	55,057	1.75%
Repairs & Maintenance	40,185	1.28%
Utilities	28,877	0.92%
Office Technology	8,421	0.27%
General & Administrative	39,360	1.25%
Average Spa-Level EBITDA $	**650,229**	
Average Spa-Level EBITDA %	**20.7%**	

Notes

1. Company-owned Spas offer and sell the same or substantially the same products and services as offered and sold by franchised Spas. Except as noted below, in our experience, there are not material differences, whether from economies of scale or otherwise, in the costs or expenses incurred or paid by company-owned Woodhouse Spa locations as compared to franchised Spa locations.
2. Of the 4 company-owned locations including in Table 3, 2 (50%) locations met or exceeded the Average Gross Sales, and the Median Gross Sales was $2,967,283. The maximum and minimum Gross Sales were $4,351,631 and $2,399,603, respectively.
3. Of the 4 company-owned locations including in Table 3, 1 (25%) location met or exceeded the Average Spa-Level EBITDA, and the Median Spa-Level EBITDA was $521,065. The maximum and minimum Spa-Level EBITDA were $1,142,217 and $454,044 respectively.
4. “Gross Sales” has the same definition as set forth above regarding franchised Woodhouse Spa locations.
5. “Cost of Sales” means direct service delivery costs, including back bar consumables (e.g. skincare, massage, nails), retail and product costs, spa amenities, and service-related technology/software fees.
6. “Spa-Level EBITDA” is calculated by subtracting the ordinary and reoccurring operating expenses set forth in the table above from Gross Sales.

7. The Royalty Fee for company-owned Spas is 6% of Gross Sales, which is the same Royalty Fee percentage paid by franchisees. Company-owned Spas contributed approximately 1.75% of their Gross Sales to the Fund in 2025, which is the same percentage contributed by Franchisees. The required franchisee contribution to the Fund may be increased to up to 2% of Gross Sales. In addition, company-owned Spa locations and Woodhouse Spa franchised locations pay a monthly Technology Management Fee, the current amount of which is $550 per month. This monthly fee for company-owned Spas is included within the Cost of Sales row in Table 3.

8. Company personnel costs include wages or salaries of all spa employees, including the Spa's general manager. Some franchise owners elect to serve as the general manager of their Woodhouse Spa franchised location; whether or how much such franchise owners paid themselves for such managerial role is left to their sole discretion. A franchisee's personnel costs will vary depending on the number of employees the franchisee hires to manage the franchised location as well as prevailing wage rates in that area of the country.

9. Lease expense will vary greatly depending on the area of the country in which the Woodhouse Spa is located. The company-owned Woodhouse Spa locations included in Table 3 operate in Colorado (2) and Texas (2), and have an average of approximately 5,886 square feet. Woodhouse Spas franchised locations typically range from 5,000 to 7,000 square feet.

10. Company-owned Spas advertising and marketing expense does not include the fees, wages, or salaries of employees providing marketing services for these locations. Franchisees may choose to hire an agency or employee to assist with marketing franchised Woodhouse Spas locations. Some franchise owners elect to provide their own marketing services or have a general manager perform marketing services. Franchisees are required to spend a minimum of 1.75% of their Gross Sales on local marketing. Company-owned locations spent approximately 1.75% of their Gross Sales on local advertising and marketing in 2025. In addition, franchisees must spent at least $5,000 on the Spa's grand opening promotion and $10,000 for us to direct a digital marketing campaign to promote the Spa's opening. As the company-owned locations included in Table 3 have been open for at least three years, they did not incur such opening-related marketing expenses in 2025.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to us by contacting John Pantera at 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228, and 617-314-1723, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2023 to 2025[(1)]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	73	80	+7
	2024	80	84	+4
	2025	84	89	+5
Company-Owned	2023	4	4	0
	2024	4	4	0
	2025	4	4	0
Total Outlets	**2023**	**77**	**84**	**+7**
	2024	**84**	**88**	**+4**
	2025	**88**	**93**	**+5**

Notes:

1. All numbers are as of our December 31st fiscal year end.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025 [(1)]

State	Year	Number of Transfers
California	2023	1
	2024	0
	2025	0
Florida	2023	0
	2024	1
	2025	0
New Jersey	2023	1
	2024	0
	2025	0
Pennsylvania	2023	1
	2024	0
	2025	0
Total	**2023**	**3**
	2024	**1**
	2025	**0**

Notes:

1. All numbers are as of our December 31 fiscal year end.

Table No. 3
Status of Franchised Outlets
For years 2023 to 2025 [(1)]

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Alabama	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arkansas	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	1	6
	2025	6	1	0	0	0	0	7
Florida	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	1	1	0	0	0	3
Georgia	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Indiana	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Kansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kentucky	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
	2025	2	1	0	0	0	0	3
Louisiana	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Maryland	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Michigan	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Minnesota	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	1	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Missouri	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
New York	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
North Carolina	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Ohio	2023	6	2	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Pennsylvania	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
South Carolina	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	1	0	0	0	0	4
Tennessee	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Texas	2023	16	2	0	0	0	0	18
	2024	18	1	0	0	0	0	19
	2025	19	0	0	0	0	0	19
Utah	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Virginia	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Wisconsin	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Totals	**2023**	**73**	**7**	**0**	**0**	**0**	**0**	**80**
	2024	**80**	**6**	**0**	**1**	**0**	**1**	**84**
	2025	**84**	**6**	**1**	**0**	**0**	**0**	**89**

Notes:

(1) All numbers are as of our December 31 fiscal year end.

Table No. 4
Status of Company-Owned Outlets
For years 2023 to 2025 (1)

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Colorado	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Texas	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Totals	**2023**	**4**	**0**	**0**	**0**	**0**	**4**
	2024	**4**	**0**	**0**	**0**	**0**	**4**
	2025	**4**	**0**	**0**	**0**	**0**	**4**

Notes:

(1) All numbers are as of our December 31 fiscal year end. These Company-Owned outlets are owned by our affiliates, DWYL I, DWYL II, and WH Denver.

Table No. 5
Projected Openings As of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Arizona	1	1	0
Arkansas	1	0	0
California	1	1	0
Florida	3	3	0
Illinois	3	2	0
Kansas	1	1	0
Michigan	1	0	0
Maryland	1	1	0
Louisiana	1	0	0
Nebraska	1	0	0
North Carolina	1	0	0
New Jersey	1	0	0
Ohio	1	1	0
Pennsylvania	1	0	0
South Carolina	1	0	0
Texas	1	0	0
Virginia	1	0	**0**
Total	**21**	**10**	0

The names, addresses, and telephone numbers of our franchisees and developers and their outlets as of December 31, 2025 are attached as Exhibit D to this disclosure document.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has left the system during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the issuance date of this disclosure document is listed in Exhibit E.

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

As of the issuance date of this disclosure document, we are not offering any outlets we control that were previously owned by a franchisee. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a supplement to this disclosure document.

During the last three fiscal years, current and former franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Woodhouse Spa system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Associations and/or Organizations

We have formed the Franchise Advisory Board ("FAB") described in Item 11, which provides advice to us on various matters, including advertising. The contact information for the FAB is 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228; ariel.clay@woodhousespashq.com.

The following independent franchisee organization has asked to be included in this disclosure document: Independent Association of Woodhouse Spas® Franchisees, American Association of Franchisees & Dealers, 276 Hazard Ave., Suite 11, Enfield, CT 06082, Phone: 619-860-1682, Email: iawsf@aafdchapters.org.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are the audited consolidated financial statements for our affiliate, Radiance Intermediate, LLC, and its subsidiaries as of December 31, 2025, December 31, 2024, and December 31, 2023, and related statements of operations, members' equity, and cash flows for the years then ended. In addition, we have included unaudited financial statements for the period beginning January 1, 2026, through March 31, 2026. Under the Guarantee of Performance (included in Exhibit A), Radiance Intermediate, LLC has absolutely and unconditionally guaranteed our duties and obligations under the Franchise Agreement. Our and Radiance Intermediate, LLC's fiscal year ends December 31st.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

1. Exhibit B: Development Agreement (with attachments)
2. Exhibit C: Franchise Agreement (with attachments and addenda)
3. Exhibit G: Form of General Release
4. Exhibit H: Compliance Questionnaire

ITEM 23
RECEIPTS

Attached as the last two pages of this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FINANCIAL STATEMENTS

Radiance Intermediate, LLC and Subsidiaries

Consolidated Financial Report

December 31, 2025

Radiance Intermediate, LLC and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Radiance Intermediate, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Radiance Intermediate, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2025, 2024, and 2023 and the related consolidated statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 2024, and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

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

To the Board of Directors
Radiance Intermediate, LLC and Subsidiaries

In performing audits in accordance with GAAS, we:

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

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

Plante & Moran, PLLC

March 31, 2026

Radiance Intermediate, LLC and Subsidiaries

Consolidated Balance Sheet

December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current Assets			
Cash	$ 10,687,606	$ 7,712,774	$ 5,867,293
Accounts receivable - Net	2,952,318	2,798,165	2,580,435
Inventory	950,440	1,271,579	1,667,035
Current portion of prepaid franchise costs	140,846	121,249	88,749
Prepaid expenses and other current assets:			
Prepaid expenses	821,127	719,100	774,517
Deposits	42,462	17,415	40,344
Other current assets	5,270	31,275	14,989
Total current assets	15,600,069	12,671,557	11,033,362
Right-of-use Leased Assets - Operating - Net (Note 7)	60,018,721	62,354,478	51,237,382
Property and Equipment - Net (Note 4)	39,287,465	43,875,372	43,063,341
Goodwill - Net (Note 5)	124,342,430	142,204,018	160,072,588
Intangible Assets - Net (Note 5)	147,447,083	161,437,083	176,322,916
Other Assets			
Deposits	979,071	1,069,108	1,093,854
Prepaid franchise costs - Net of current portion	1,680,669	1,246,695	813,347
Financial instruments - Equity securities (Note 8)	15,259,000	15,259,000	15,259,000
Total other assets	17,918,740	17,574,803	17,166,201
Total assets	**$ 404,614,508**	**$ 440,117,311**	**$ 458,895,790**
Liabilities and Member's Equity			
Current Liabilities			
Accounts payable	$ 2,676,029	$ 3,101,056	$ 3,112,217
Current portion of long-term debt (Note 6)	1,830,000	1,830,000	-
Current portion of lease liabilities - Operating (Note 7)	12,163,460	11,727,119	9,202,944
Current portion of settlement obligations	60,025	60,025	60,025
Current portion of deferred revenue	648,833	577,847	1,044,269
Accrued and other current liabilities	3,885,989	3,178,863	1,640,602
Total current liabilities	21,264,336	20,474,910	15,060,057
Long-term Debt and Revolver - Net of current portion (Note 6)	184,422,851	183,057,147	177,150,000
Lease Liabilities - Operating (Note 7)	50,274,834	50,994,505	39,176,590
Other Long-term Liabilities			
Settlement obligations	36,271	92,637	147,339
Deferred revenue	13,413,977	15,160,067	14,054,884
Total liabilities	269,412,269	269,779,266	245,588,870
Member's Equity	135,202,239	170,338,045	213,306,920
Total liabilities and member's equity	**$ 404,614,508**	**$ 440,117,311**	**$ 458,895,790**

See notes to consolidated financial statements.

Radiance Intermediate, LLC and Subsidiaries

Consolidated Statement of Operations

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Net Sales			
Royalties	$ 31,053,950	$ 28,531,436	$ 25,656,176
Salon rental revenue	34,589,653	34,360,709	31,190,203
Franchise fees	2,491,968	942,397	707,702
Franchise marketing fees	9,140,179	8,371,355	7,544,286
Spa service revenue	15,382,897	13,128,800	11,823,280
Other revenue	992,046	936,301	720,558
Total net sales	93,650,693	86,270,998	77,642,205
Operating Expenses before Disposal	108,273,153	103,457,294	96,409,755
Disposal of Goodwill	-	-	2,679,866
Impairment of Trade Name	-	795,808	-
Loss on Disposal of Asset	1,247,236	-	-
Operating Loss	(15,869,696)	(17,982,104)	(21,447,416)
Nonoperating Income (Expense)			
Interest income	433	4,800	5,793
Gain on sale of assets	-	-	70,837
Unrealized gain on equity investment (Note 8)	-	-	3,814,000
Other income	834,773	674,454	408,613
Interest expense	(19,721,564)	(21,586,189)	(21,248,815)
Loss on extinguishment of debt	-	(850,000)	-
Other expense	(1,691,660)	(2,926,801)	(1,782,924)
Total nonoperating expense	(20,578,018)	(24,683,736)	(18,732,496)
Consolidated Net Loss	**$ (36,447,714)**	**$ (42,665,840)**	**$ (40,179,912)**

See notes to consolidated financial statements.

Radiance Intermediate, LLC and Subsidiaries

Consolidated Statement of Member's Equity

Years Ended December 31, 2025, 2024, and 2023

Balance - January 1, 2023	$ 254,995,183
Consolidated net loss	(40,179,912)
Distributions	(1,508,351)
Balance - December 31, 2023	213,306,920
Consolidated net loss	(42,665,840)
Distributions	(303,035)
Balance - December 31, 2024	170,338,045
Consolidated net loss	(36,447,714)
Distributions	(75,859)
Stock-based compensation	1,387,767
Balance - December 31, 2025	**$ 135,202,239**

See notes to consolidated financial statements.

Radiance Intermediate, LLC and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash Flows from Operating Activities			
Consolidated net loss	$ (36,447,714)	$ (42,665,840)	$ (40,179,912)
Adjustments to reconcile consolidated net loss to net cash from operating activities:			
Amortization	31,851,588	31,958,570	32,139,451
Depreciation	8,691,183	7,570,658	6,516,983
Bad debt expense	7,389	91,629	-
Stock compensation expense	1,387,767	-	-
Loss on interest rate swap	115,196	-	-
Payment-in-kind interest	4,321,247	-	-
Unrealized gain on equity investment (Note 8)	-	-	(3,814,000)
Amortization of debt costs	509,261	254,655	850,000
Disposal of goodwill	-	-	2,679,866
Noncash lease expense	972,092	3,224,994	1,492,730
Impairment of trade name	-	795,808	-
Loss on extinguishment of debt	-	850,000	-
Loss (gain) on disposal of assets	1,247,236	-	(70,837)
Changes in operating assets and liabilities that (used) provided cash:			
Prepaid expenses	(101,069)	62,060	(166,191)
Accounts receivable	(161,542)	(309,359)	348,866
Prepaid franchise costs	(453,571)	(465,848)	(902,096)
Deposits	83,759	24,746	(103,101)
Accounts payable	(482,800)	(11,161)	1,505,685
Accrued other	970,450	927,393	93,444
Deferred revenue	(1,675,104)	638,761	1,492,220
Inventory	321,139	395,456	(58,250)
Other liabilities	(310,316)	556,166	(604,128)
Net cash provided by operating activities	10,846,191	3,898,688	1,220,730
Cash Flows from Investing Activities			
Business acquisition - Net of cash acquired	-	-	(3,445,353)
Purchase of fixed assets	(4,215,500)	(8,382,689)	(4,088,845)
Net cash used in investing activities	(4,215,500)	(8,382,689)	(7,534,198)
Cash Flows from Financing Activities			
Proceeds from revolver	-	3,500,000	-
Payments on revolver	(1,750,000)	-	-
Proceeds from long-term debt - Net of debt issuance costs	-	182,047,517	8,000,000
Payments on long-term debt	(1,830,000)	(178,915,000)	-
Distributions	(75,859)	(303,035)	(1,508,351)
Net cash (used in) provided by financing activities	(3,655,859)	6,329,482	6,491,649
Net Increase in Cash	2,974,832	1,845,481	178,181
Cash - Beginning of year	7,712,774	5,867,293	5,689,112
Cash - End of year	**$ 10,687,606**	**$ 7,712,774**	**$ 5,867,293**
Supplemental Cash Flow Information - Cash paid for interest	$ 14,775,860	$ 18,713,897	$ 21,248,815
Significant Noncash Transactions - Operating leases entered into	$ 13,232,853	$ 26,696,796	$ 3,251,520

See notes to consolidated financial statements.

Note 1 - Nature of Business

Radiance Intermediate, LLC and Subsidiaries (the "Company") was formed on December 13, 2022 as a Delaware limited liability company. The Company commenced operations on December 16, 2022 through the acquisition of Sola Franchise, LLC and subsidiaries; Sola Salon Studios, LLC and subsidiaries; Woodhouse Gathering, LLC and subsidiaries; Radiance Distribution, LLC; and Stylist Direct, LLC.

The Company is primarily engaged in the operation and franchising of Sola Salons and Woodhouse Spas. Sola Salons provides a unique system of build-out and lease of turnkey salon studios to independent beauty professionals. Woodhouse Spas operates as an elevated day spa designed to relax, restore, and revive clients through providing massages, facials, nail treatments, and related services.

As of December 31, 2025, the Sola locations include:

Country	Franchise Owned	Company Owned	Total
United States	677	67	744
Canada	5	-	5
Total	682	67	749

The United States locations operate across 46 states.

As of December 31, 2025, the Woodhouse locations include:

Country	Franchise Owned	Company Owned	Total
United States	89	4	93

The Company primarily generates revenue from three sources: (1) franchise revenue consisting of royalties, franchise fees paid by franchise owners, and other revenue generated through the franchise owner relationship; (2) rental revenue generated from leasing suites at company-owned Sola Salons; and (3) service and product revenue generated from operating company-owned Woodhouse Spas.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and variable interest entities for which the Company is determined to be the primary beneficiary. All material intercompany accounts and transactions have been eliminated in consolidation.

The companies included in consolidation are as follows:

- Radiance Promotions, LLC
- Radiance Distribution, LLC
- Woodhouse Gathering, LLC
  - WH Denver, LLC
  - Do What You Love I, LLC
  - Do What You Love II, LLC
  - The Woodhouse Spas, LLC
- Kinlani Holdings, LLC

Note 2 - Significant Accounting Policies (Continued)

- Sola Franchise, LLC
  - Sola Salon Studios Canada, Inc.
  - Sola Salon Studios International, LLC
- Sola Salon Studios, LLC
  - Sola Salon Studios California, LLC
- Stylist Direct, LLC (BeautyHive)

During 2023, BeautyHive wound down operations. As a result, there were no ongoing operations during 2024 or 2025. Activity for the year ended December 31, 2024 consisted of impairment of the BeautyHive trade name. There were no balances for BeautyHive included in the year ended December 31, 2025.

Basis of Accounting

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the accounting alternative related to goodwill and acquired intangibles.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Concentration of Cash

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2025, 2024, and 2023, the Company had approximately $9,922,000, $5,094,000, and $3,534,000, respectively, in excess of the FDIC-insured limit.

Trade Accounts Receivable

Accounts receivable are stated at net invoice amounts. In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. The Company has adopted the new ASU and has elected the practical expedient to assume that the current conditions as of the consolidated balance sheet date will not change for the remaining life of the asset.

An allowance for expected credit losses is established by the Company based on a combination of factors, including the aging of receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions. When the Company is aware of a franchise or customer's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. All amounts deemed to be uncollectible are charged against the allowance for expected credit losses in the period that determination is made. At December 31, 2025 and 2024, the allowance for credit losses was not material to the consolidated financial statements. At December 31, 2023, the Company did not record an allowance for credit losses, as the Company determined there was minimal risk of credit losses based on historical losses as well as current and expected future conditions. The balance of accounts receivable at January 1, 2023 was $2,929,301.

Note 2 - Significant Accounting Policies (Continued)

Inventory

Inventory consists of aromatherapy oils, lotions, skincare products, and supplies to be sold to Woodhouse franchisees, sold to Woodhouse clients, or used to provide services to Woodhouse clients.

Inventory is recorded at the lower of cost or net realizable value using the FIFO method. The Company determines a provision for inventory obsolescence by regularly reviewing and evaluating individual inventory items and their movement history. Inventory is reserved when deemed obsolete or unsellable.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, from 3 to 12 years, and the shorter of the estimated economic life or related lease terms for leasehold improvements. Maintenance and repairs are expensed as incurred, and improvements are capitalized.

Goodwill

The recorded amounts of goodwill from business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the Company may be less than its carrying value. The Company elected to test goodwill for impairment at the entitywide level.

During 2023, BeautyHive ceased operations, and, as a result, goodwill of approximately $2.7 million was disposed of.

No additional impairment charge was recognized during the years ended December 31, 2025, 2024, and 2023.

Intangible Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

During 2024, following the cessation of BeautyHive operations, the Company determined that the related trade name no longer had a defensible value and recorded an impairment charge of approximately $796,000.

No additional impairment charge was recognized during the years ended December 31, 2025, 2024, and 2023.

	Useful Life - Years
Trade names	20
Franchisee relationships	10

Investments

Investments in equity securities without readily determinable fair value are recorded at cost and adjusted for any observable changes in price. Impairment losses resulting from declines in investment value that are other than temporary are recognized when incurred. No impairment losses were recognized in the years ended December 31, 2025, 2024, and 2023.

Note 2 - Significant Accounting Policies (Continued)

Leases

The Company has operating leases for salon locations, spa locations, and office space. The Company accounts for leases in accordance with Accounting Standards Codification (ASC) 842, *Leases*. In accordance with ASC 842, the Company recognizes the following for all leases, with the exception of short-term leases, on the consolidated balance sheet at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specific asset for the lease term.

The Company determines if an arrangement is a lease at the inception of the arrangement. A contract is a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Lease liabilities are recognized based on the present value of lease payments over the lease term at the arrangement's commencement date. Right-of-use assets are recognized based on the amount of the measurement of the lease liability adjusted for any lease payments made to the lessor at or before the commencement date, minus any lease incentives received and any initial direct costs incurred. Renewal options are included in the calculation of our right-of-use assets and lease liabilities at commencement when it is determined that they are reasonably certain of exercise based on an analysis of the relevant facts and circumstances. The Company has elected to use the risk-free rate as the discount rate in determining the present value of lease payment. Certain of the Company's lease arrangements contain lease and nonlease components. The Company elected to account for nonlease components related to real estate leases as part of the related lease. As such, all fixed payments included in a real estate lease agreement are included in the measurement of the lease liabilities and corresponding right-of-use assets and variable payments are presented and disclosed as variable lease cost. Leases with an initial term of 12 months or less are not recognized on the Company's consolidated balance sheet. The Company recognizes the expense for these leases on a straight-line basis over the lease term. Operating lease costs and variable lease costs are included within operating expenses in the consolidated statement of operations.

Debt Issuance Costs

Debt issuance costs are recorded as a reduction in the recorded balance of the outstanding debt. The costs are amortized over the term of the related debt and reported as a component of interest expense.

Revenue Recognition

Revenue is recognized in accordance with ASC 606, *Revenue from Contracts with Customers*. The primary revenue streams are defined below.

Royalty Fees

Royalty fees are earned based on a percentage of franchisees' gross monetary sales for both Sola Salons and Woodhouse Spas. Royalty fees are paid on a monthly basis. Franchise agreement royalties represent sales-based royalties that are related entirely to the Company's performance obligation under the applicable franchise agreement, and royalty revenue is recognized in the period the franchisees' sales occur.

Marketing Fees

Marketing fees are earned based on a percentage of franchisees' gross monetary sales for both Sola Salons and Woodhouse Spas. Sales are recognized in the period the franchisees' sales occur. Marketing fees are paid on a monthly basis. The contribution received from franchisees for marketing is accounted for in a separate set of accounts by the Company. Any excess amounts remaining in the marketing fund at the end of the year are used for marketing and promotion in the following year.

Note 2 - Significant Accounting Policies (Continued)

Sola Salons Franchisee Fees

Franchise fees consist of initial franchise fees due at contract inception. Franchise agreements provide the franchisee the right to operate a franchised salon within a defined territory using the franchise name. The initial term of franchise agreements is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid.

Sola Salons has obligations to provide franchisees with the right to operate a salon, training, and site selection and has concluded that these items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement beginning on the date the salon is opened. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the remaining term of the franchise agreement beginning at the time of transfer.

Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet. Deferred revenue for Sola Salons at December 31, 2025, 2024, and 2023 was $7,848,827, $8,741,064, and $8,752,955, respectively.

Woodhouse Spa Franchise Fees

The Woodhouse Spas, LLC has obligations to provide franchisees with the right to operate a spa, training, and site selection. The Company has concluded that the training element of the activities represents a separate performance obligation to which the franchise fee is allocated. The remaining items represent a single performance obligation. Therefore, training revenue is recognized as training is performed, which typically aligns with the date a franchisee opens. The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the spa is opened. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the remaining term of the franchise agreement beginning at the time of transfer. The Company also provides marketing support for which fees are charged. Income for royalties and marketing fees is recognized as sales occur or services are provided. The Company also has sales of supplies direct to franchisees. The revenue is recognized at the point of sale.

Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet. Deferred revenue for Woodhouse Spas at December 31, 2025, 2024, and 2023 was $1,858,335, $1,624,804, and $1,451,555, respectively.

Sola Salon Rental Revenue

Sola Salon company-owned units rent spaces to independent beauty professionals. Rental revenue is collected on a weekly basis and is recognized as earned based on the underlying lease agreement terms.

Woodhouse Service and Product Revenue

Woodhouse company-owned spas generate revenue by delivering services and selling products to clients within the spa locations. The revenue is recognized at the point of service and when product is delivered to the customer.

Note 2 - Significant Accounting Policies (Continued)

Woodhouse Gift Card Revenue

Woodhouse company-owned spas sells gift cards to clients. Gift card sales are recorded as deferred revenue when sold and are recognized as revenue when a gift card is redeemed or when it is determined the client will not exercise their contractual right, which the Company estimates using historical redemptions transactions (breakage). The Company does not charge administrative fees on unused gift card balances, and the gift cards have no expiration date. For gift cards where the Company has determined it does not have an obligation to escheat unredeemed gift cards, breakage revenue is recognized in proportion to the pattern of rights exercised by the client. The Company recognized approximately $2,286,000 of breakage revenue in 2025. Prior to 2025, the Company recognized breakage revenue when the likelihood of the customer exercising its remaining rights became remote and management determined there was not enough historical information to determine a breakage estimate. As such, no breakage was previously recorded. The Company recorded a liability for unredeemed issued gift cards, net of breakage, totaling approximately $3,815,000, $5,202,000, and $4,566,000, at December 31, 2025, 2024, and 2023, respectively. The liability for unredeemed gift cards is presented within deferred revenue on the consolidated balance sheet.

Payment Terms

Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is executed and are nonrefundable. Royalties and marketing fees are paid on a monthly basis, based upon a percentage of franchisee gross sales. Salon, spa, and supplies revenue is recognized as the services are rendered.

Franchise fees are collected prior to the satisfaction of The Woodhouse Spas, LLC's and Sola Franchise, LLC's performance obligations, resulting in recognizing deferred revenue contract liabilities. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet. Deferred revenue at December 31, 2025, 2024, and 2023 was $9,707,162, $10,365,868, and $10,204,510, respectively. Deferred revenue related to franchise fees at January 1, 2024 and 2023 was $10,204,510 and $8,961,083, respectively.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to operate a location and the agreed-upon rates for space rental and service fees to beauty professionals. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise and rental agreements and that agreements will not be canceled, renewed, or modified.

The Woodhouse Spas, LLC's and Sola Franchise, LLC's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and marketing fees, as the transaction price is based on the franchisees' sales. The variable consideration is recognized based on the actual amounts incurred each month.

Prepaid Franchise Costs to Obtain a Contract

The Company pays commissions to third parties and employees that assist in selling franchise agreements. As these represent the cost to obtain the franchise contract, they are deferred as long-term prepaid expenses. The amounts deferred will be amortized over a 10-year period, as the corresponding franchise agreement is recognized as revenue. The commissions are not payable to the third parties until execution of the franchise agreement. Deferred costs at December 31, 2025, 2024, and 2023 were $1,821,515, $1,367,944, and $902,096, respectively.

Note 2 - Significant Accounting Policies (Continued)

In the years ended 2025, 2024, and 2023, the Company incurred certain costs to modify existing contracts with franchisees totaling $0, $325,000, and $875,000, respectively. These costs are deferred as long-term prepaid expenses. The amounts deferred will be amortized over the remaining life of the corresponding franchise agreements as a reduction to revenue.

Derivative Financial Instruments

The Company entered into interest rate collar agreements in order to convert certain variable-rate notes payable to a fixed rate. These interest rate collars are recognized in the accompanying consolidated balance sheet at fair value. The Company has elected not to treat the collars as hedges. Accordingly, changes in the fair value of the interest rate collars are recognized in nonoperating expense.

Derivatives are entered into as part of the Company's interest rate risk management strategy and are not held for speculative purposes. These instruments are intended to reduce exposure to variability in interest payments associated with variable-rate debt.

Marketing Expenses

The contribution received from franchisees for marketing is accounted for in a separate set of accounts by the Company. Any excess amounts remaining in the marketing fund at the end of the year are used for marketing and promotion in the following year.

Sola Franchise, LLC had marketing fund fees of $4,982,268, $4,756,154, and $4,378,449 for the years ended December 31, 2025, 2024, and 2023, respectively. Marketing expense incurred was $5,136,977, $4,597,465, and $4,578,697 for the years ended December 31, 2025, 2024, and 2023, respectively.

The Woodhouse Spas, LLC had marketing fund fees of $4,157,911, $3,615,201, and $3,165,837 for the years ended December 31, 2025, 2024, and 2023, respectively. Marketing expense incurred was $4,102,638, $3,397,146, and $3,500,320 for the years ended December 31, 2025, 2024, and 2023, respectively.

Marketing fund fees from the franchisees are included in net sales in the accompanying consolidated statement of operations. Marketing expense incurred on behalf of the franchisees is included in operating expenses before disposal.

Business Management Fees

Sola Franchise receives fees from a vendor based on the amount of subscriptions for a co-branded business management software application. These fees are presented as other income in the consolidated statement of operations and recognized when earned in accordance with the related contract.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The member is taxed individually on its pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated to the member in accordance with the Company's operating agreement.

Subsequent Events

Management evaluated subsequent events up through and including March 31, 2026, which is the date the consolidated financial statements were available to be issued.

Note 3 - Business Combinations

Business Combination - Ponderosa

On June 30, 2023, the Company acquired substantially all assets and assumed certain liabilities of one previously franchised Sola Salon Studios. The primary reason for the acquisition was for the Company to expand its company-owned locations in Colorado.

The aggregate purchase consideration was approximately $787,000. The acquisition was financed by cash from the Company.

There were no transaction costs incurred related to the acquisition.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Security deposits	$	17,432
Equipment		350,000
Payables and other liabilities		(30,048)
Right-of-use assets - Operating		983,796
Right-of-use liabilities - Operating		(983,796)
Total identifiable net assets		337,384
Goodwill		450,000
Total	$	787,384

The goodwill of $450,000 arising from the acquisitions consists largely of the value associated with the Sola Salon Studios franchise brand and its reputation in the salon industry. The amortization period for the goodwill recognized in 2023 is 10 years, which is expected to be deductible for tax purposes.

Business Combination - McKinnon

On September 29, 2023, the Company acquired substantially all assets and assumed certain liabilities of three previously franchised Sola Salon Studios. The primary reason for the acquisition was for the Company to expand its company-owned locations in California.

The aggregate purchase consideration was approximately $2,658,000. The acquisition was financed by cash from the Company.

There were no transaction costs incurred as part of the deal.

The following table summarizes the acquisition-date fair values of the assets acquired and liabilities assumed:

Prepaid rent	$	54,276
Security deposits		50,554
Equipment		140,000
Lease holds		2,286,667
Right-of-use assets - Operating		2,267,724
Payables and other liabilities		(51,861)
Right-of-use liabilities - Operating		(2,267,724)
Total identifiable net assets		2,479,636
Goodwill		178,333
Total	$	2,657,969

The goodwill of $178,333 arising from the acquisitions consists largely of the value associated with the Sola Salon Studios franchise brand and its reputation in the salon industry.

Note 3 - Business Combinations (Continued)

The amortization period for the goodwill recognized in 2023 is 10 years, which is expected to be deductible for tax purposes.

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024	2023	Depreciable Life - Years
Software	$ 4,699,393	$ 2,192,998	$ 621,864	3
Furniture and equipment	6,426,959	7,209,248	6,424,936	3-7
Leasehold improvements	51,102,441	48,934,491	42,906,258	1-12
Total cost	62,228,793	58,336,737	49,953,058	
Accumulated depreciation	22,941,328	14,461,365	6,889,717	
Net property and equipment	$ 39,287,465	$ 43,875,372	$ 43,063,341	

Depreciation expense for December 31, 2025, 2024, and 2023 was $8,691,183, $7,570,658, and $6,516,983, respectively.

Note 5 - Acquired Intangible Assets and Goodwill

Intangible assets and goodwill of the Company at December 31, 2025, 2024, and 2023 are summarized as follows:

	2025		2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:						
Goodwill	$ 178,615,883	$ 54,273,453	$ 178,615,883	$ 36,411,865	$ 178,615,883	$ 18,543,295
Trade names	100,200,000	15,238,750	100,200,000	10,228,750	101,200,000	5,322,917
Franchise rights	89,800,000	27,314,167	89,800,000	18,334,167	89,800,000	9,354,167
Total amortized intangible assets	$ 368,615,883	$ 96,826,370	$ 368,615,883	$ 64,974,782	$ 369,615,883	$ 33,220,379

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2026	$ 31,851,588
2027	31,851,588
2028	31,851,588
2029	31,851,588
2030	31,851,588
Thereafter	112,531,573
Total	$ 271,789,513

Goodwill totaling approximately $628,000 was added during the year ended December 31, 2023 as a result of the acquisitions (see Note 3).

Goodwill and other intangible amortization expense totaled $31,851,588, $31,958,570, and $32,139,451 for the years ended December 31, 2025, 2024, and 2023, respectively.

Note 6 - Long-term Debt and Revolver

During 2023 and part of 2024, the Company was party to a term note payable to a lender that is a member of Radiance Holdings, LLC, with quarterly interest-only payments at a rate of the CME term SOFR plus an applicable margin (an effective interest rate of 11.616 percent at December 31, 2023). The loan was refinanced during 2024, as described below. The note was collateralized by substantially all of the Company's assets. At December 31, 2023, the total outstanding balance of the debt was approximately $178,000,000.

On June 28, 2024, the Company entered into a credit agreement to refinance all debt with a new lender. The new debt includes a term loan of $183 million and a revolving credit facility with an amount available up to $20 million. The loan bears interest equal to the highest of (a) the federal funds rate plus 0.50 percent, (b) the prime rate in effect on such day, and (c) term SOFR for an interest period of one month plus 1.00 percent, plus an applicable margin. The loans mature on June 28, 2031. Borrowings under the credit agreement are collateralized by substantially all assets of the Company; guaranteed by all of the Company's subsidiaries; and subject to certain financial covenants, including a total net leverage ratio. The Company recognized a loss on extinguishment related to the unamortized issuance costs of the old debt of $850,000.

The senior secured term loan requires quarterly payments equal to a loan amortization percentage, as defined in the credit agreement (1 percent at December 31, 2025 and 2024, respectively). Interest is charged at SOFR plus an applicable margin (an effective rate of 9.17 and 7.53 percent at December 31, 2025 and 2024). Unpaid interest is charged to the loan as it accrues. All outstanding principal and interest of this note are due on June 28, 2031. At December 31, 2025 and 2024, the total outstanding balance of the debt is $187,188,586 and $184,697,339, respectively.

The Company has the option to satisfy a portion of its interest obligation under the refinanced credit agreement through payment-in-kind (PIK) interest, whereby such interest is capitalized and added to the outstanding principal balance of the loan rather than paid in cash. The PIK interest is calculated at a rate of 2.75 percent when elected. The Company recognized $4,321,247 and $2,612,339 of PIK interest expense for the years ended December 31, 2025 and 2024, respectively. The Company did not recognize any PIK interest during the year ended December 31, 2023.

Unpaid PIK interest included in the outstanding term loan principal totaled $6,933,586 and $2,612,339 as of December 31, 2025 and 2024, respectively.

Under the terms of the refinanced credit agreement, the Company maintains a revolving credit facility, providing borrowings up to $20,000,000. Outstanding balances accrue interest at SOFR plus an applicable margin (an effective rate of 9.51 and 9.82 percent at December 31, 2025 and 2024, respectively), and the balance is due on June 28, 2031. The Company's outstanding balance on the revolving credit facility is $1,750,000 and $3,500,000 at December 31, 2025 and 2024, respectively, which is reported as long-term debt on the consolidated balance sheet.

Interest expense for December 31, 2025, 2024, and 2023 was $19,606,368, $21,586,189, and $21,248,815, respectively.

In 2025, in order to mitigate exposure to interest rate volatility, the Company entered into an interest rate collar. The collar has a trade date of December 3, 2025, an effective date of December 31, 2025, and a termination date of December 31, 2027. The collar has a notional amount of $140,000,000 and is based on three-month SOFR, reset quarterly. Under the terms of the interest rate collar, the Company has established a cap rate of 4.25 percent and a floor rate of 2.53 percent on the three-month SOFR index. If the three-month SOFR exceeds the cap rate, the Company receives payments from the counterparty for the excess. If the applicable three-month SOFR falls below the floor rate, the Company makes payments to the counterparty for the shortfall. Payments are settled on a net basis and occur quarterly. As of December 31, 2025, the Company recorded the collar at a fair value of $115,196 within long-term liabilities on its consolidated balance sheet, with changes in fair value recognized in earnings each period.

Note 6 - Long-term Debt and Revolver (Continued)

Under the Company's credit agreement, the Company is subject to affirmative and negative covenants, including a financial maintenance covenant requiring compliance with a maximum consolidated total net leverage ratio. The credit agreement also includes an excess cash flow sweep provision; however, no excess cash flow payment was required for the year ended December 31, 2025.

The balance of the above debt matures as follows:

Years Ending	Amount
2026	$ 1,830,000
2027	1,830,000
2028	1,830,000
2029	1,830,000
2030	1,830,000
Unamortized debt issuance costs	(2,800,931)
Thereafter	179,788,586
Total	$ 186,137,655

Note 7 - Leases

The Company is obligated under operating leases primarily for salons, spas, and office space, expiring at various dates through 2036. The right-of-use asset and related lease liability have been calculated using the risk-free rate at the date of the lease commencement. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $14,753,730, $14,625,783, and $13,839,491 for the years ended December 31, 2025, 2024, and 2023, respectively. Cash paid for these leases was $13,598,659, $13,196,696, and $10,678,065 for the years ended December 31, 2025, 2024, and 2023, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2026	$ 14,251,581
2027	12,518,816
2028	11,627,053
2029	9,272,332
2030	7,560,033
Thereafter	14,725,443
Total	69,955,258
Less amount representing interest	7,516,964
Present value of net minimum lease payments	62,438,294
Less current obligations	12,163,460
Long-term obligations under leases	$ 50,274,834

Note 7 - Leases (Continued)

The Company leases space within salon space to stylists. The lease agreements have base terms of one to three years. The lease agreements provide for fixed monthly lease payments.

Rental income to be received in the future under the noncancelable leases with stylists totals $9,433,980, $7,667,331, and $6,916,686 for 2025, 2024, and 2023, respectively. Rental income under these leases was $35,469,899, $34,360,709, and $31,190,203 for 2025, 2024, and 2023, respectively. The future minimum lease payments to be received on lease agreements that are active as of December 31, 2025 are as follows:

Years Ending	Amount
2026	$ 6,966,091
2027	2,366,810
2028	101,079
Total	$ 9,433,980

Note 8 - Financial Instruments - Equity

As part of the business combination on December 16, 2022, the Company recognized its investment in an equity security at fair value. As a result, the Company's cost of the investment is $11,445,000. During 2023, a cumulative upward adjustment has been included as observable inputs have been identified to adjust the carrying value of this equity security, which does not maintain a readily determinable fair value. There were no adjustments in 2024 and 2025, as there were no observable inputs during the year.

Note 9 - Share-based Compensation Expense

On December 16, 2022, the Company established the Radiance Management Aggregator 2, LLC 2023 Management Incentive Plan (the "Plan") to award Class M units of the parent company to certain key employees of the Company. These units are designed to serve as incentive for attracting and retaining qualified employees, officers, and advisors.

Under the Plan, a portion of the Class M units granted includes a time-based vesting component and another portion includes a performance-based vesting component. Class M units are structured as profits interests and include a distribution threshold. Of the units granted, 50 percent are subject to time-based vesting and 50 percent are subject to performance-based vesting.

The time-based vesting component generally vests over a five-year service period, with 20 percent vesting on the first anniversary of the grant date and 20 percent vesting annually thereafter until fully vested on the fifth anniversary date, provided the employee remains employed by the Company. The performance-based vesting component vests upon the achievement of specified investor return thresholds in connection with a change in control. Unvested units are generally forfeited for no consideration upon termination of employment.

At various times since inception of the Plan, the Company granted, net of forfeitures, 19,677,636 units to certain employees. At December 31, 2025, there were 2,418,498 shares vested. The Company used an independent third-party valuation group to determine the fair value for the purpose of determining stock compensation expense related to these units granted in accordance with ASC 718, *Compensation - Stock Compensation*.

Class M unit activity for the year ended December 31, 2025 consisted of 20,954,314 units outstanding at December 31, 2024, 3,236,650 units granted during the year, and 4,513,328 units forfeited, resulting in 19,677,636 units outstanding at December 31, 2025.

Note 9 - Share-based Compensation Expense (Continued)

The grant-date fair value of Class M units granted during 2022 through 2024 was $0.37 per unit based on valuation performed as of December 16, 2022. For Class M units granted during 2025, the Company utilized a grant-date fair value of $0.30 per unit based on a valuation performed as of June 30, 2025. The relevant data used to determine the fair value of the incentive units granted during 2025 was as follows:

Risk-free interest rate	3.67%
Expected term	3.5
Expected volatility	54%
Dividend yield	0%

The Company recognizes share-based compensation expense for time-based awards using the straight-line method over the requisite service period based on the grant-date fair value of the units expected to vest. The Company accounts for forfeitures of share-based awards as they occur based on actual forfeiture activity.

The Company recorded $1,387,767 of compensation expense for the year ended December 31, 2025. No compensation expense was recorded in the years ended December 31, 2024 or 2023. Total unrecognized compensation expense for the time-based units is $2,347,777. The total unrecognized compensation expense for the performance-based units is $3,318,615 from 9,275,401 units as of December 31, 2025.

Note 10 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Accounts Payable

At December 31, 2025, 2024, and 2023, the Company had accounts payable to a member totaling $39,806, $1,092,847, and $643,467, respectively, related to the reimbursement of certain expenses.

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Radiance Intermediate, LLC - Consolidated

Consolidated Statement of Operations
(unaudited)
3 Months Ended March 31, 2026

	2026
Rental Income	8,839,360
Other Income	196,994
Sales Revenue	3,536,252
Franchise Income	8,112,115
Marketing Fund Income	2,153,982
Genius Revenue	126,667
Net Sales	**22,965,370**
Cost of Goods Sold	1,675,281
Marketing Expense	511,128
Utility Expense	564,513
Net Insurance Expense	75,704
Repairs & Maintenance Expense	746,172
Royalty Expenses	834,516
Warehousing and Logistics Expense	44,943
Lease Expense	4,789,256
Franchisee Relations	1,300
Labor Expense	4,391,810
General & Administrative Expenses	1,135,754
Z Training & Support	34,412
Marketing Fund Expenses	2,154,970
Franchisee Conference	69
Operating Expense	**16,960,423**
Operating Income	**6,004,947**
Non Operating Income	313
Non Operating Income	**313**
Non Operating Expense	**16,016,768**
Consolidated Net Loss	**(10,011,508)**

Radiance Intermediate, LLC - Consolidated
Balance Sheet (Unaudited)
March 2026

	Mar 2026
Current Assets	
Cash and cash equivalents	8,154,732
Accounts receivable, net	2,911,890
Inventory	894,592
Current portion of prepaid franchise costs	141,894
Prepaid expenses	909,810
Other current asset	3,965
Total current assets	**13,016,882**
Right -of-use Leased Assets	62,656,049
Property and Equipment	38,324,285
Goodwill	119,877,038
Intangible Assets	143,949,584
Other Assets	
Deposits	948,245
Prepaid franchise-costs Net of current portion	1,696,376
Financial instruments- Equity securities	15,259,000
Total other assets	**17,903,621**
Total assets	**395,727,459**
Current liabilities	
Accounts payable	1,839,109
Current portion of lease liabilities	11,596,758
Current portion of settlement obligations	60,025
Current portion of deferred revenue	643,069
Accrued and other current liabilities	4,554,340
Short term Debt	1,830,000
Total current liabilities	**20,523,301**
Long Term Debt	186,747,794
Debt Issuance Costs	(2,673,616)
Lease Liabilities	52,678,621
Other Long-term Liabilities	
Settlement Obligations	21,913
Deferred Revenue	13,186,435
Total liabilities	**270,484,447**
Member's Equity	125,243,012
Total liabilities and stockholders' deficit	**395,727,459**

Radiance Intermediate, LLC - Consolidated

Cash Flow Statement (unaudited)

March 2026

		YTD March 2026
Net (Loss)/Income	$	(10,011,508)
Cash Flow from Operations		
Adjustments to reconcile net loss to net cash used by operating acitivities:		
Deprecation		1,948,779
Amortization of Debt Issuance Costs		127,315
Share Based Compensation		163,990
Non Cash Lease Expense		3,193,164
Other		(20,423)
Change in Operating Assets/Liabilities		
Prepaids		(131,159)
AR		41,735
AP		(820,139)
Accrued Other		651,885
Deferred Revenue		(233,305)
Inventory		98,311
Lease Liabilities		(3,993,406)
Other		14,070
Net cash provided by by operating activities		(1,007,801)
Cash Flow from Investing		
Purchase of fixed assets		(996,034)
Net cash used by investing activities		(996,034)
Cash Flow from Financing Activites		
Net Repayment/(Proceeds) from Debt		(457,500)
Distributions		(114,013)
Net cash used by financing activities		(571,513)
Net Increase/(Decrease) in Cash		(2,575,348)
Cash Beginning of Period		10,730,080
Cash End of End of Period	$	8,154,732

GUARANTEE OF PERFORMANCE

For value received, Radiance Intermediate, LLC, a Delaware limited liability company (the "Guarantor"), located at 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228, absolutely and unconditionally guarantees to assume the duties and obligations of The Woodhouse SPAS, LLC, a Texas limited liability company (the "Franchisor"), located at 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of the Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assigns.

The Guarantor signs this guarantee at Lakewood, Colorado, on the 30th day of April, 2026.

Guarantor:

Radiance Intermediate, LLC

By: _____
Name: Ben Jones
Title: Chief Executive Officer

EXHIBIT B

DEVELOPMENT AGREEMENT

THE WOODHOUSE SPAS, LLC

DEVELOPMENT AGREEMENT

THE WOODHOUSE SPAS, LLC
DEVELOPMENT AGREEMENT

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WOODHOUSE SPA
DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is made and entered into this _____, between The Woodhouse SPAS, LLC, a Texas limited liability company("Franchisor") and _____ ("Developer") and shall be effective as of the date on which Franchisor executes this Agreement ("Effective Date"). Certain initially capitalized terms used frequently in this Agreement are defined in Section XIII.

Recitals:

Franchisor has the right to use and license the use of a system (the "System") for the establishment and operation of day spa businesses under the Marks (defined below) ("Woodhouse Day Spa," "Woodhouse Spa," or "Spa").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, deleted, improved and further developed by Franchisor from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks "Woodhouse Day Spa," "Woodhouse," and "Woodhouse Spa," and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (the "Marks").

Franchisor licenses franchisees to use the Marks and the System to establish and operate Woodhouse Spas under Franchise Agreements with Franchisor.

Developer wishes to obtain certain development rights to obtain and operate Woodhouse Spas under Franchise Agreements with Franchisor in the Territory described in this Development Agreement.

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

I. GRANT

A. Grant of Rights. Franchisor hereby grants to Developer and Developer hereby accepts, the right and obligation to develop two (2) to ten (10) Spas within the Territory, as provided for in Attachment F, in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section III.A. hereof and as provided in the Development Schedule.

B. Scope of Developer's Rights. Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of Spas and that this Agreement does not confer upon Developer a right or franchise to establish or operate any Spa. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to obtain Franchise Agreements for the establishment and operation of two (2) or ten (10) Spas within the Territory, as provided for in Attachment F. This Agreement is not a franchise agreement and does not grant to Developer any right or license to operate a Spa or distribute goods or services, or any right to use or interest in the Marks. Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Developer and its Principals. Developer and its Principals have represented to Franchisor that

they have entered this Agreement for the purpose and with the intention to fully comply with the Spa development obligations hereunder.

C. Retained Rights. Subject to Developer's full compliance with this Agreement and the full compliance by Developer and its Affiliates with any other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates, neither Franchisor nor any Affiliate shall establish, or authorize any person or entity other than Developer or any of its Affiliates to establish, a Woodhouse Spa in the Territory during the term of this Agreement. Developer expressly agrees that Franchisor and its Affiliates retain all other rights, including, without limitation, the right (i) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to Developer, (ii) to advertise and promote the System in the Territory, (iii) to operate, and license others to operate, Woodhouse Spas under the Marks and the System at any location outside the Territory, including at locations that are adjacent to the Territory and notwithstanding the proximity of such Woodhouse Spas to the Territory or their actual or threatened impact on sales at the Spa, and (iv) except for the restriction set forth in this Section I.C. against the establishment of another Woodhouse Spa in the Territory during the term hereof, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all services and products, under the Marks, or under other names or marks, within and outside the Territory, through any method of distribution, including, but not limited to, mail order catalogs or the Internet, regardless of the proximity to, or the competitive impact on, Developer's operations in the Territory.

II. FEES

A. Development Fee. Upon the execution of this Agreement, Developer shall pay to Franchisor a development fee of either: Sixty Thousand Dollars ($60,000) for two (2) Spas, Ninety Thousand Dollars ($90,000) for three (3) Spas, One Hundred and Forty Thousand Dollars ($140,000) for four (4) Spas, One Hundred and Sixty Five Thousand Dollars ($165,000) for five (5) Spas, or Three Hundred and Forty Thousand Dollars ($340,000) for ten (10) Spas ("Development Fee"). The Development Fee shall be deemed fully earned and nonrefundable upon execution of this Agreement for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Developer herein. The Development Fee is in addition to any initial franchise fee due from or paid by Developer or Developer's Affiliate pursuant to the first Franchise Agreement entered into pursuant to this Agreement.

B. Initial Franchise Fee. The Franchise Agreement for the first Spa to be developed by Developer or Developer's Affiliate pursuant to this Agreement shall be signed concurrently with this Agreement. Upon the execution of the first Franchise Agreement entered into pursuant to this Agreement, Developer shall pay to Franchisor an initial franchise fee of Sixty Thousand Dollars ($60,000). No initial franchise fees will be due upon the execution of each subsequent Franchise Agreement entered into pursuant to this Agreement. The initial franchise fee shall be deemed fully earned and nonrefundable.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Developer to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen (18%) percent per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall

not be deemed to be a waiver by Franchisor of any preceding breach by Developer or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Developer to any amounts Developer owes Franchisor or its Affiliates under this Agreement or any other agreement between them, even if Developer has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Developer without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Developer shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Developer.

III. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. Franchise Agreement Execution; Compliance with Conditions.

1. Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a majority-owned subsidiary of Developer to enter into) a separate Franchise Agreement with Franchisor for each Spa for which a development right is granted. The Franchise Agreement for the first Spa to be developed by Developer or Developer's Affiliate under this Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed concurrently with this Agreement. Each subsequent Spa developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for new franchisees of Spas under the System, except that the initial franchise fee shall be determined as provided in Section II.B. above, and the royalty and advertising expenditure percentages will be the same as those set forth in the Franchise Agreement attached as Attachment C to this Agreement. Each subsequent franchise agreement shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Developer or Developer's Affiliate in accordance with this Section III.

2. Prior to exercising any development right granted hereunder, Developer shall apply to Franchisor for a franchise to operate a Spa within the Territory. If Franchisor, in its sole discretion, determines that Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Developer a franchise for a Spa in the Territory:

(a) Operational Conditions: Developer is in compliance with the Development Schedule and this Agreement and Developer or its Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. Developer is conducting the operation of its existing Spas, if any, and is capable of conducting the operation of the proposed Spa in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: Developer and the Principals satisfy Franchisor's then-current financial criteria for developers and principals of Woodhouse Spas. Developer and the Principals have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Developer is not in default, and has not been in default during the twelve (12) months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or other agreement between Developer or its Affiliates and Franchisor or its Affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees be financially sound to avoid failure of a Spa and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) Legal Conditions: Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

B. Development Schedule. Acknowledging that time is of the essence, Developer agrees to exercise its development rights according to Section III.A. and the Development Schedule. Developer may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Spas which Developer is required to develop during any Development Period; that is, Developer may open multiple Spas to be developed under this Agreement during the any such Development Period. Any Spas in excess of the minimum number of Spas required to be developed shall be applied to satisfy Developer's development obligation during the next succeeding Development Period, if any. Notwithstanding the above, Developer shall not open or operate more than the cumulative total number of Spas Developer is obligated to develop under the Development Schedule.

1. If during the term of this Agreement, Developer ceases to operate any Spa developed under this Agreement for any reason, Developer shall develop a replacement Spa. The replacement Spa shall be developed within a reasonable time (not to exceed two hundred ten (210) days) after Developer ceases to operate the original Spa. If, during the term of this Agreement, Developer transfers its interest in a Spa in accordance with the terms of the applicable Franchise Agreement for the Spa, the transferred Spa shall continue to be counted in determining whether Developer has complied with the Development Schedule so long as it continues to be operated as a Woodhouse Spa. If the transferred Spa ceases to be operated as a Woodhouse Spa during the term of this Agreement, Developer shall develop a replacement Spa within a reasonable time (not to exceed two hundred ten (210) days) thereafter.

2. Failure by Developer to adhere to the Development Schedule (including any extensions thereof approved by Franchisor in writing) or to any time period for the development of replacement Spas shall constitute a material breach of this Agreement.

3. Developer may request, in writing, an extension of time from the Franchisor ("Extension Request") to meet the Development Schedule provided the Extension Request must be submitted to Franchisor prior to the last day of Development Period set out in the Development Schedule. Franchisor may approve or disapprove the Extension Request in its sole determination. If Franchisor approves the request, the last day of the Development Period for the applicable Development Period will be extended for a six (6) month period ("Extension Period"). No more than one extension for any Development Period will be granted. No extension for any Development Period will affect the duration of any other Development Period or any of Developer's other development obligations. Each extension may be conditioned upon payment of a $5,000 extension fee ("Extension Fee"). If Developer does not submit an Extension Request prior to the last day of Development Period, Franchisor has the right to terminate the Agreement immediately upon notice to Developer. If Developer is granted an extension in accordance with this Section III and Developer fails to open the Spa within the Extension Period, this Agreement will automatically terminate at the end of the Extension Period.

C. Projected Opening Dates. Developer acknowledges that the Projected Opening Date for each Spa to be developed hereunder are reasonable. Subject to Developer's compliance with Section III.A. hereof, Developer shall execute a Franchise Agreement for each Spa at or prior to the applicable execution date set forth in the Development Schedule, which shall be a date no later than two hundred ten (210) days prior to the Projected Opening Date for the applicable Spa.

IV. TERM

The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date Developer has completed its development obligations under this Agreement, or (ii) 12:00 midnight on the last day specified in the Development Schedule (that is, the last

day of the last Development Period).

V. DEVELOPER'S OBLIGATIONS

A. Continuing Obligations. Developer and its Principals make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing obligations, and Developer and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Developer will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

B. Organization. If Developer is a corporation, partnership, limited liability company or other legal entity:

(1) Developer is duly organized and validly existing under the law of the state of its formation;

(2) Developer is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Developer's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Developer are confined exclusively to the development and operation of Woodhouse Spas;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Developer's corporate power, if Developer is a corporation, or if Developer is a partnership or a limited liability company, are permitted under Developer's written partnership or limited liability company agreement and have been duly authorized by Developer; and

(5) If Developer is a corporation, copies of Developer's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Developer is a partnership or limited liability company, copies of Developer's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Developer's written partnership or limited liability company agreement.

C. Ownership.

(1) If Developer is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Developer are accurately and completely described in Attachment D. If Developer is a corporation, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer or, if Developer is a partnership, limited liability company or other form of legal entity, Developer shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Developer shall make its list of owners available to Franchisor upon request.

(2) If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all

restrictions imposed upon assignments by this Agreement.

(3) If required by Franchisor, Developer's Principals who do not sign the Principals' Guaranty and Assumption Agreement attached as Attachment A shall each execute the Confidentiality Agreement and Ancillary Covenants Not to Compete with Principal's Undertaking in the form of Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Developer's Principals, Developer shall notify Franchisor within ten (10) days after any such change and, upon designation of such person by Franchisor as one of Developer's Principals or as a Principal such person shall execute all documents and instruments (including, as applicable, the Principals' Guaranty and Assumption Agreement) as Franchisor may require others in such positions to execute.

D. Financial Matters.

(1) Developer and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Developer and such Principals. Such financial statements present fairly the financial position of Developer and each of the Principals, as applicable, at the dates indicated therein and, with respect to Developer, the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Developer's obligations under this Agreement pursuant to the terms and conditions of the Principals' Guaranty and Assumption Agreement at Attachment A hereto, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Developer shall provide Franchisor with any and all loan or other documents regarding the financing of the business contemplated hereby that Franchisor may request.

(4) Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal; General Manager. Upon the execution of this Agreement, Developer shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Developer's Operating Principal. If Developer is an individual, Developer shall perform all obligations of the Operating Principal. The Operating Principal under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. The Operating Principal shall, during the entire period he serves as such, meet the following qualifications and such other standards as may be set forth by Franchisor in the Manuals or otherwise in writing:

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than twenty-five percent (25%) in Developer. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Developer shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal shall execute the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A, and shall be individually, jointly and severally, bound by all obligations of Developer, the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section V.E.(1), Developer may, at its option and subject to Franchisor's written consent, designate a General Manager to supervise the operation of the business

contemplated by this Agreement; provided, that the General Manager under this Agreement and under each Franchise Agreement executed pursuant hereto is the same individual; and provided further, that Developer and its Operating Principal shall remain fully responsible for General Manager's performance. The General Manager shall execute the Confidentiality Agreement attached as Attachment B-1 to this Agreement.

(3) Unless a General Manager is designated pursuant to Section V.E.(2), Developer's Operating Principal shall devote full time and best efforts to the supervision of the business contemplated by this Agreement, and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a General Manager is designated, provided, the General Manager shall devote his or her full time and best efforts to the supervision and operation of the business contemplated by this Agreement.

(4) The Operating Principal and any General Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Developer.

Developer must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section V.E. will be a material breach of this Agreement.

F. Legal Compliance. In addition to complying with its obligations under this Agreement, Developer shall comply with all requirements of federal, state and local laws, rules, regulations, ordinances and orders.

VI. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

A. Termination Without Notice or Cure. Developer shall be deemed to be in material default under this Agreement and all rights granted herein shall automatically terminate without notice to Developer if:

1. Developer becomes insolvent or makes a general assignment for the benefit of creditors or files a voluntary petition under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state or admits in writing its inability to pay its debts when due;

2. Developer is adjudicated bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state;

3. A bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer, or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

4. Proceedings for a composition with creditors under any state or federal law are instituted by or against Developer;

5. A final judgment against Developer remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed);

6. Developer is dissolved;

7. Execution is levied against Developer's business or property;

8. Judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within thirty (30) days; or

9. The real or personal property of any business operated hereunder or under any Franchise Agreement shall be sold after levy by any sheriff, marshal or constable.

B. Termination on Notice; No Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon written notice to Developer, upon the occurrence of any of the following events of default:

1. If Developer fails to comply with the Development Schedule or otherwise fails to satisfy its obligations set forth in Section III.

2. If Developer or any of the Principals is convicted of, or enters a plea of nolo contendere to, a felony, a crime involving moral turpitude or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Franchisor's interests therein.

3. If a threat or danger to public health or safety results from the construction, maintenance or operation of any Spa developed under this Agreement.

4. If Developer or any of the Principals breach in any material respect any of the representations, warranties and covenants in Section V.

5. If Developer or any of the Principals transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Developer or the business contemplated hereby contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time period and in the manner prescribed by Section VII.D.

6. If Developer or any of the Principals fails to comply with the covenants in Section VIII.

7. If Developer, or any of the Principals, repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice by Franchisor.

8. If Developer or any Affiliate of Developer is in default of any Franchise Agreement with Franchisor and fails to cure such default within the applicable cure period, if any.

C. Termination After Notice and Opportunity to Cure. Upon the occurrence of any event set forth below, Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Developer written notice stating the nature of the default and the applicable cure period (defined below). Developer may avoid termination by curing such default to Franchisor's satisfaction within the time period set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the cure period, Developer's rights under this Agreement shall terminate without further notice to Developer effective immediately upon the expiration of the cure period.

1. If Developer or any of its Affiliates fails, refuses or neglects promptly to pay when due any monetary obligation owing to Franchisor or any of its Affiliates and fails to cure such default within five (5) days following notice from Franchisor, or if Developer or any of its Affiliates are otherwise in default under any Franchise Agreement and fails to cure such default within the applicable cure period, if any, contained in such Franchise Agreement.

2. If Developer fails to designate a qualified replacement Operating Principal or General Manager within thirty (30) days after any initial or successor Operating Principal or General Manager ceases to serve.

3. If Developer fails to obtain the execution of the covenants required under Section VIII.F. within thirty (30) days following Franchisor's request that Developer do so.

4. If Developer misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

5. If Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor.

D. Additional Remedies. Upon default by Developer under Section VI.B. or C., Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to Developer in Section I., (ii) reduce the size of the Territory, (iii) reduce the number of Spas which Developer may establish pursuant to the Development Schedule.

1. If Franchisor elects to exercise one or more of the additional remedies set forth above, Developer shall continue to develop Spas in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section VI.D., Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish, Woodhouse Spas in some or all of the Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

2. Franchisor's exercise of any of its remedies under this Section VI.D. shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect on Franchise Agreements; Remedies Non-Exclusive

1. No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

2. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, Developer shall have no right to establish or operate any Spa for which a Franchise Agreement has not been executed by Franchisor and delivered to Developer at the time of termination or expiration (but may complete development of and/or operate Spas under then existing Franchise Agreements) and Franchisor may develop, or authorize others to develop, Woodhouse Spas in the Territory. Upon the expiration or termination of this Agreement:

1. Developer and the Principals shall comply with the restrictions on confidential information contained in Section VIII.A. and the covenants against competition contained in Section VIII.B. Any other person required to execute similar covenants pursuant to Section VIII.F. shall also comply with such covenants.

2. Developer and its Principals shall promptly pay all sums owing to Franchisor and its subsidiaries or Affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Developer and on the premises operated under any Franchise Agreement at the time of default.

3. Developer and the Principals shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section VI.F.

VII. TRANSFER OF INTEREST

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Developer and Principals. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Developer and Developer's Principals. Accordingly, neither Developer nor any Principal, nor any successor or assign of Developer or any Principal, shall sell, assign, transfer, convey, merge, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of Developer's rights or obligations hereunder), the business operated under this Agreement (except as provided in the businesses respective Franchise Agreement), or in Developer (except as provided in Section VII.C. below), whether or not such sale, assignment, transfer, conveyance, merger, gift, pledge, mortgage, disposition, or encumbrance constitutes a transfer or assignment under applicable law, without the prior written consent of Franchisor, which consent Franchisor may grant or deny in its sole determination. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

C. Transfer of Non-Controlling Interest. If any person holding an interest and so long as such interest is not a Controlling Interest in Developer (other than a Principal signing the Principals' Guaranty and Assumption Agreement) proposes to transfer such interest, then Developer shall promptly notify Franchisor of such proposed transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to the transfer. The transferee shall not be one of Franchisor's competitors and may be required to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by Franchisor, which form shall be in substantially the same as the form attached to this Agreement as Attachment B. Franchisor reserves the right to require such transferee to sign the Principals' Guaranty and Assumption Agreement.

D. Death or Permanent Disability. Developer or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section VII.D. Any transfer upon death or permanent disability shall be subject to the following conditions.

1. Upon the death of Developer (if Developer is a natural person) or any Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

2. Upon the permanent disability of Developer (if Developer is a natural person) or any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be

transferred to a third party in accordance with the conditions described in this Section VII. within six (6) months after notice to Developer. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section VII.F. The costs of any examination required by this Section shall be paid by Franchisor.

E. No Waiver. Franchisor's consent to a transfer of any interest described herein shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

VIII. COVENANTS

A. Confidentiality. Neither Developer nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge, or use for the benefit of, any other person, persons, partnership, limited liability company, corporation or other entity or association and, following the termination or expiration of this Agreement, they shall not use for their own benefit, any Confidential Information, knowledge or know-how which may be communicated to them or of which they may be apprised concerning the methods of conducting the business contemplated by this Agreement, including, without limitation, the methods of development and operation of the Spas and other information contained in the Manuals or otherwise disclosed. Developer and each of the Principals shall disclose such Confidential Information only to those employees of Developer who must have access to it in connection with their employment. Neither Developer nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer and each of the Principals.

B. Noncompetition Covenants. The covenants in this Section VIII are made for the purchase and sale of a business or the assets of a business. In addition, Developer and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Developer and the Principals further acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Developer and the Principals covenant as follows:

1. With respect to Developer, during the term of this Agreement (or with respect to each of the Principals, for so long as such individual or entity satisfies the definition of "Principal" under this Agreement) except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Spas operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

2. With respect to Developer, and for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Developer's interest in, this Agreement (or with respect to each of the Principals, commencing upon the earlier of (i) the expiration, termination, or transfer of all of Developer's interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement), and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Woodhouse Spas operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a business that is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) which business is, or is intended to be, located (i) within the Territory, or (ii) within a six (6)-mile radius of the location of any Woodhouse Spa then in existence or under construction.

C. Reasonable Restrictions. The parties acknowledge and agree that each of the covenants contained herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section VIII. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section. The time periods relating to the obligations set forth in Section VIII.B.2. will be tolled for any period of non-compliance.

D. Reduction of Scope of Covenant. Developer and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section VIII. without their consent, effective immediately upon notice to Developer, and Developer and the Principals agree that they shall promptly comply with any covenant as so modified.

E. Enforcement. Developer and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section VIII.

F. Execution of Covenants. Developer shall require and obtain execution of covenants similar to those set forth in Section VIII. from all Principals not signing the Principals' Guaranty and Assumption Agreement. Such covenants shall be in the form set forth in Attachment B. In addition, Developer shall

require and obtain execution of confidentiality agreements, in the form set forth in Attachment B-1, from all General Managers and, if requested by Franchisor, other personnel of Developer who have received or will have access to Confidential Information or training from Franchisor.

G. Injunctive Relief. Developer and the Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material breach of this Agreement. Developer and the Principals acknowledge that a violation of this Section would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Developer and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Developer or the Principals in violation of the terms of this Section, without the requirement that Franchisor post a bond. Developer and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section.

H. New Developments. If Developer, its employees, or Principals develop any new concept, process or improvement in the operation or promotion of the business contemplated by this Agreement or any Spa developed pursuant to this Agreement, Developer shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Developer and its Principals hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Developer and its Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. Developer and its Principals hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section VIII.H. are found to be invalid or otherwise unenforceable, Developer and its Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

I. Anti-Terrorism Laws. Developer certifies that neither Developer nor its owners, employees or anyone associated with Developer is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.ustreas.gov/offices/enforcement/ofac/.) Developer agrees not to hire or have any dealings with a person listed in the Annex. Developer certifies that it has no knowledge or information that, if generally known, would result in Developer, its owners, employees, or anyone associated with Developer being listed in the Annex to Executive Order 13224. Developer agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Developer certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Developer and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Developer is solely responsible for ascertaining what actions must be taken by Developer to comply with all such Anti-Terrorism Laws, and Developer specifically acknowledges and agrees that Developer's indemnification responsibilities as provided in Section X. of this Agreement pertain to Developer's obligations under this Section VIII.I. Any misrepresentation by Developer under this Section or any violation of the Anti-Terrorism Laws by Developer, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's Affiliates in accordance with the terms of Section VI.B.(6) and VI.E. of this Agreement. As

used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

IX. INDEPENDENT CONTRACTOR

A. Independent Contractor Relationship. Developer agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Developer no duties except as expressly provided in this Agreement. Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor. All employees hired by or working for Developer or its Affiliates will be Developer's or Developer's Affiliate's employees and will not, for any purpose, be deemed employees of Franchisor or its Affiliates or subject to Franchisor's or its Affiliates' control. Franchisor has no authority to hire, fire, promote, or demote any of Developer's employees or take any disciplinary action whatsoever against any of them. Additionally, Developer must communicate to all employees that Developer, not Franchisor, is their employer; and Developer must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or Developer's name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof

B. No Authority. Nothing in this Agreement authorizes Developer or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Developer or any of the Principals or any claim or judgment arising therefrom.

X. INDEMNIFICATION

A. Indemnity. Developer and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its Affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees") from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

1. The infringement, alleged infringement, or any other violation or alleged violation by Developer or any of the Principals of any patent, mark, copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted to Developer under a Franchise Agreement);

2. The violation, breach or asserted violation or breach by Developer or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

3. Libel, slander or any other form of defamation of Franchisor, the System, or any

developer or franchisee under the System, by Developer or by any of the Principals;

4. The violation or breach by Developer or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any Franchise Agreement or other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates; and

5. Acts, errors or omissions of Developer, any of Developer's Affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of any of them in connection with the employer/employee relationship between Developer and its employees, the performance of the development activities contemplated under this Agreement, or the establishment and operation of any Spa pursuant to a Franchise Agreement.

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

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

1. any of the acts or circumstances enumerated in Section X.A.(1)-(4) above has occurred; or

2. any act, error or omission as described in Section X.A.(5) may result directly or indirectly in damage, injury or harm to any person or any property.

D. Losses and Expenses.

1. All Losses and Expenses incurred under this Section X. shall be chargeable to and paid by Developer or any of the Principals pursuant to its obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity or defense.

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

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Developer or the Principals may contract, regardless of the purpose. Developer and the Principals shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be gross, sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith, including, without limitation, the other Indemnitees.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain

a claim under the indemnity and against Developer, and the failure of Franchisor to pursue such recovery or mitigate such loss will no way reduce the amounts recoverable by Franchisor from Developer. Developer and the Principals expressly agree that the terms of this Section X. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XI. MISCELLANEOUS

A. Notices. The parties agree that any notice required or permitted to be given under this Agreement, except for notices of default, non-renewal, or termination, may be delivered to Franchisee via email. Any and all other notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service (e.g., FedEx or UPS) or certified or registered mail, return receipt requested, first-class postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:	The Woodhouse SPAS, LLC 300 Union Boulevard, Suite 600 Lakewood, Colorado 80228 Attention: Chief Executive Officer Telephone: 877-570-7772
Notices to Developer and the Principals:	_____ _____ _____ _____ Attention: _____ Telephone: _____ Email: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing (provided confirmation is sent by expedited delivery service or registered or certified mail) as provided above), and, in the case of electronic mail, upon transmission.

B. Entire Agreement. This Agreement, the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Developer and the Principals concerning the subject matter hereof and shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to Developer or Developer's representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Developer or the Principals, or as to a subsequent breach or default by Developer or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Developer, and no

neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Developer or any third party as a result thereof.

E. MEDIATION. EXCEPT FOR ACTIONS WHICH THE FRANCHISOR MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS OR THE CONFIDENTIAL INFORMATION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF ITS AFFILIATES (AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND DEVELOPER (AND DEVELOPER'S AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER OR THEIR RESPECTIVE AFFILIATES, (b) FRANCHISOR'S RELATIONSHIP WITH DEVELOPER OR THEIR RESPECTIVE AFFILIATES, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR OR DEVELOPER, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISOR AND DEVELOPERS, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES AND COSTS INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION XI.F.

F. JURISDICTION AND VENUE. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, DEVELOPER AND PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. DEVELOPER AND PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. DEVELOPER AND PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR

FEDERAL DISTRICT COURT WHICH HAS JURISDICTION. THE PARTIES AGREE ANY ACTIONS RELATED TO A DISPUTE WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON, CONSOLIDATED, OR CLASS ACTION. DEVELOPER AGREES NOT TO JOIN OR ATTEMPT TO JOIN OTHER DEVELOPERS, FRANCHISEES, OR OTHER THIRD PARTIES IN ANY LITIGATION OR ARBITRATION PROCEEDING AND TO REFRAIN FROM PARTICIPATING IN ANY "CLASS ACTION" LITIGATION OR ARBITRATION PROPOSED OR ASSERTED BY ONE OR MORE OTHER DEVELOPERS OR FRANCHISEES.

G. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER COLORADO LAW (EXCEPT FOR COLORADO CONFLICT OF LAW RULES).

H. MUTUAL ACKNOWLEDGMENTS. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN LAKEWOOD, COLORADO, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF DEVELOPER ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN LAKEWOOD, COLORADO.

I. DAMAGES WAIVER. DEVELOPER AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, DEVELOPER AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

J. JURY WAIVER. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVES THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

K. BUSINESS JUDGMENT. DEVELOPER, THE PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY

CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

L. LIMITATION OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY DEVELOPER OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) DEVELOPER'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, OR (iii) DEVELOPER'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION X., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF DEVELOPER AND FRANCHISOR PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH DEVELOPER OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

M. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

N. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

O. Survival. Any obligation of Developer or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Developer or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XI.E., F., and G. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

P. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

Q. Gender. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements

and obligations made or undertaken by Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

R. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its Affiliates and Franchisor or any of its Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, termination, or exercise of Franchisor's rights pursuant to Section VI. of this Agreement shall not discharge or release Developer or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the termination, or the exercise of such rights under this Agreement. Additionally, Developer and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

S. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, and Franchisor's, officers, directors and personnel and such of Developer's and Franchisor's respective successors and assigns as may be contemplated, any rights or remedies under or as a result of this Agreement.

T. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

U. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

XII. ACKNOWLEDGMENTS

A. Independent Investigation. Developer acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Developer.

B. FTC Rule Compliance. Developer acknowledges that it received a complete copy of Franchisor's disclosure document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law.

C. No Reliance. Developer is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement. For the avoidance of doubt, Franchisor will be solely responsible for its obligations under this Agreement, and none of Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

XIII. CERTAIN DEFINITIONS

A. An "Affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

B. "Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

C. “Confidential Information” means any confidential information, knowledge or know-how concerning the methods of establishing and operating a Woodhouse Spa which may be communicated to Developer or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques, Internet/Intranet passwords, and any materials used in or related to the System which Franchisor provides to Developer in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

D. “Controlling Interest” means (a) if Developer is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Developer’s issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Developer is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner 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 this Agreement.

E. “Development Schedule” means, collectively, the schedule in Attachment F of this Agreement which designates the number of Woodhouse Spas to be established and operated by Developer in the Territory upon the expiration of each designated Development Period and the schedule in Attachment F which establishes the Projected Opening Date for each such Spa.

F. “Development Period(s)” means the discrete periods set forth in the Development Schedule within which Developer must establish and have in operation the designated number of Spas.

G. “Force Majeure” means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, fire or other catastrophe or other forces beyond Developer’s control.

H. “Franchise Agreements” means franchise agreements for Woodhouse Spas executed pursuant to this Development Agreement, as described in Section III.A.1.

I. “General Manager” means a qualified individual who meets the requirements in Section V.E. of this Agreement but who is not required to own an interest in Developer, designated by Developer and approved by Franchisor to supervise the Developer’s operations under this Agreement.

J. “Internet” means a global computer-based communications network.

K. “Intranet” means a restricted global computer-based communications network.

L. “Principal” shall include, collectively and individually, all officers and directors of Developer (including the officers and directors of any general partner of Developer) whom Franchisor designates as Developer’s Principals and all holders of an ownership interest in Developer and of any entity directly or indirectly controlling Developer.

M. “Projected Opening Date” means the date by which each Spa is to be open for business, which shall be no later than the dates set forth in the Development Schedule.

N. “Publicly-held Corporation” is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

O. “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of

monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

P. "Territory" means the geographic area described in Attachment E to this Development Agreement.

{Signatures appear on the following page.}

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

The Woodhouse SPAS, LLC,
a Texas limited liability company

By: _____
Name: _____
Authorized Signatory
Date: _____

DEVELOPER:

If Entity:

_____
Printed Entity Name

By: _____

Name: _____
Title: _____
Date: _____

If an Individual:

_____
Signature

By: _____
Printed Name: _____
Date: _____

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Principals' Guaranty and Assumption Agreement ("Guaranty") is given this _____, by the undersigned.

In consideration of, and as an inducement to, the execution of the Development Agreement ("Agreement") by The Woodhouse SPAS, LLC ("Franchisor"), each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, "Guarantor" and collectively "Guarantors") hereby personally and unconditionally guarantees to Franchisor and Franchisor's successors and assigns, that Developer will punctually pay its obligations for development fees, royalties, marketing and advertising fund contributions and purchases of equipment, materials, supplies and other amounts due under the Agreement and under all Franchise Agreements entered into pursuant to the development of Woodhouse Spas under the Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Developer to Franchisor under the Agreement; and

(v) Developer's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections VI.F.; VII.; VIII.; X.; and XI.E., F., G., H., I., J., and L.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

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

GUARANTORS

By: _____
*Name: _____
Date: _____

By: _____
Name: _____
Date: _____

By: _____
Name: _____
Date: _____

* Denotes individual who is Developer's Operating Principal

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ _____, between The Woodhouse SPAS, LLC ("Franchisor"), _____ ("Developer") and _____ ("Covenantor") in connection with a development agreement between Franchisor and Developer dated _____ ("Development Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Development Agreement.

RECITALS

Franchisor has the right to use and license the use of a system ("System") for the establishment and operation of Woodhouse Spas.

The System is identified by certain trademarks ("Marks") including the marks "Woodhouse Day Spa," "Woodhouse," and "Woodhouse Spa," and includes certain Confidential Information (defined below) which provides economic advantages to Franchisor and licensed users of the System. "Confidential Information" means any confidential information, knowledge, or know-how concerning the methods of establishing and operating a Woodhouse Spa which may be communicated to Developer, Covenant, or any of the Principals or of which they may be apprised under the Development Agreement. Any and all information, knowledge, know-how, techniques, Internet/Intranet passwords, and any materials used in or related to the System which Franchisor provides to Developer in connection with this Agreement or the Development Agreement shall be deemed confidential for the purposes of this Agreement and the Development Agreement.

Franchisor has granted Developer the limited right to develop Spas using the System, the Marks and the Confidential Information under the Development Agreement.

Covenantor is a Principal of Developer.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Developer have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Developer therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that the covenants set forth in this Agreement are given for the purchase and sale of a business or the assets of a business. Covenantor further acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Developer in connection with the development and operation of Woodhouse Spas under the Development Agreement or Franchise Agreements. For the avoidance of doubt, nothing in this Agreement limits the ability of Covenantor to disclose or discuss, either orally or in writing, any alleged discriminatory or unfair employment practice.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of a Spa using the System.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Developer or Franchisor, upon request, or upon termination of employment by Developer.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. Covenantor acknowledges that all Manuals are loaned by Franchisor to Developer for limited purposes only and remain the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

7. **Covenants Not to Compete**

This covenant not to compete is given for the purchase and sale of a business or the assets of a business and in order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with Developer, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's interest in the Development Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for Woodhouse Spas granted pursuant to the Development Agreement:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the business described hereunder to any competitor; and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) which is, or is intended to be, located (i) within the Territory, or (ii) within a six (6)-mile radius of any Woodhouse Spa then in existence or under construction.]

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

Principal's Undertaking

As a Principal of Developer, Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections VII.; VIII.A., B., C., D., E., G. and H.; and XI.E., F., G., H., I., J., and L. of the Development Agreement and is obligated to perform thereunder.

Miscellaneous

1. Developer shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is

necessary to protect the goodwill or other business interests of Franchisor. The time periods relating to the obligations set forth in this Agreement will be tolled for any period of non-compliance.

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

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Developer in enforcing this Agreement.

4. Any failure by Franchisor or the Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT REFERENCE TO COLORADO CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service (e.g., FedEx or UPS) or certified or registered mail, return receipt requested, first-class postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

The Woodhouse SPAS, LLC
300 Union Boulevard, Suite 600
Lakewood, Colorado 80228
Attention: Chief Executive Officer

If directed to Developer, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone:(___)_____
Email:_____

If directed to Covenantor, the notice shall be addressed to:

_____
_____
_____
Attention:_____
Telephone:(___)_____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above), and, in the case of electronic mail, upon transmission.

8. Franchisor and its successors and assigns are intended third-party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective Affiliates, successors and assigns. The respective obligations of Developer and Covenantor hereunder may not be assigned by Developer or Covenantor, without the prior written consent of Franchisor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

The Woodhouse SPAS, LLC,
a Texas limited liability company

By:_____
Name: _____
Authorized Signatory
Date:_____

DEVELOPER:

By: _____

Name: _____
Title:_____

Date:_____

COVENANTOR:
By: _____
Name: _____
Date:_____

ATTACHMENT B-1

CONFIDENTIALITY AGREEMENT

_____ ("Franchisee"), on behalf of itself and The Woodhouse SPAS, LLC, LLC, a Texas limited liability company ("Franchisor"), with offices at 300 Union Blvd., Ste 600, Lakewood, CO 80228, and _____, an individual having an address at_____ ("Employee"), hereby enter into this Confidentiality Agreement ("Agreement"), effective as of this _____ _____ ("Effective Date"). Franchisee and Employee are sometimes referred to individually as a "Party" and collectively as the "Parties."

FOR AND IN CONSIDERATION the promises set forth in this Agreement, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Franchisee operates a Woodhouse Spa franchised business ("Business") under the "Woodhouse Spa" brand pursuant a Franchise Agreement with Franchisor. Pursuant to the Franchise Agreement, Franchisor has authorized Franchisee to access and use Franchisor's Confidential Information (defined below) in connection with the Business. Franchisor and Franchisee have agreed on the importance of restricting the use, access, and dissemination of Confidential Information. Franchisee has undertaken certain obligations to Franchisor to protect the Confidential Information. For their mutual benefit, Franchisee and Employee desire for Employee to receive access to Franchisor's Confidential Information, including confidential training, for the purpose of serving as an employee of Franchisee's Business (the "Purpose"). Employee acknowledges that receipt of and access to the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by Employee in this Agreement.

2. As used in this Agreement, "Confidential Information" means all methods for establishing, operating and promoting the Business pursuant to the Franchisor's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks, non-public information, know-how, marketing materials, business strategies, and financial information, reports, plans, and data of Franchisor and such other information as may be further developed periodically by Franchisor in connection with the operation of the Business. Confidential Information may be in any form or medium, tangible or intangible, and may be communicated in writing, orally, or through visual observation.

3. Franchisee and Employee acknowledge and agree that all Confidential Information is and will remain the sole property and a trade secret of Franchisor. The Parties further acknowledge and agree that the Confidential Information, constituting trade secrets of Franchisor, includes, without limitation, supplier information, product components, lists of and information regarding actual and prospective customers of any Business or Woodhouse Spa, and any and all information contained in the Franchisor's Manuals (as defined in the Franchise Agreement), which may be provided as one or more separate print or electronic manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature that gives Franchisor an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, or information. Franchisee and Employee acknowledge that Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information. By disclosing Franchisor's Confidential Information or executing

this Agreement, Franchisee does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, trade secret, or any other intellectual property right to Employee.

4. Employee will use Confidential Information solely for the Purpose; will not use the Confidential Information, directly or indirectly, for the benefit of itself or any third party (except for Franchisor); will not disclose, publish, divulge, or otherwise communicate in any manner such Confidential Information to any third party without Franchisor's express written consent; and will reproduce Confidential Information only to the extent essential to fulfilling the Purpose. For the avoidance of doubt, nothing in this Agreement limits the ability of Employee to disclose or discuss, either orally or in writing, any alleged discriminatory or unfair employment practice.

5. Employee will notify Franchisee immediately upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Agreement by Employee or any representative of Employee, and will cooperate with Franchisee in every reasonable way to help Franchisee regain possession of its Confidential Information and prevent its further unauthorized use or disclosure.

6. The covenants of confidentiality set forth in this Agreement will apply after the Effective Date to all Confidential Information disclosed to Employee before and after the Effective Date.

7. Upon Franchisee's request, Employee will either return to Franchisee all Confidential Information or, at Franchisee's sole option, will certify to Franchisee that all media containing Confidential Information have been destroyed.

8. The foregoing restrictions on Employee's use or disclosure of Confidential Information will not apply to Confidential Information that Employee can demonstrate: (a) has become generally available to the public through no wrongful act or breach of confidentiality obligations by the Employee; (b) was in the Employee's possession without restriction or was known by the Employee without restriction at the time of disclosure; or (c) is required by a court order to be disclosed; provided, however, that the Employee has given Franchisee prompt notice of such demand for disclosure, has taken reasonable steps to enable Franchisee to seek to protect the confidentiality of the Confidential Information required to be disclosed and will disclose only that part of the Confidential Information which, in the written opinion of its legal counsel, it is required to disclose.

9. In case of Employee's unauthorized use or disclosure of Confidential Information, Employee acknowledges that Franchisee will be entitled to liquidated damages in the amount of Five Thousand Dollars ($5,000) (a pre-calculated estimate) for each instance of unauthorized use or disclosure of Confidential Information. Notwithstanding the right to liquidated damages, Franchisee has the right to take any measures available for relief and to claim and receive a higher amount of compensation if Franchisee or Franchisor can prove that the actual damages sustained will exceed the amount of liquidated damages.

10. Notwithstanding the foregoing monetary payment, Employee acknowledges that money damages alone would be an inadequate remedy for the injuries and damages that would be suffered and incurred by Franchisee or Franchisor as a result of Employee's breach of this Agreement. Therefore, Employee agrees that if Employee violates or threatens to violate this Agreement, Franchisee, in addition to any other remedies it may have at law, will be entitled to a restraining order, injunction, or other similar remedy in order to enforce the provisions of this Agreement. In the event Franchisee should seek an injunction or other extraordinary relief, Employee hereby waives any requirement for the submission of proof of the economic value of any Confidential Information or the posting of a bond or any other security. Employee will bear all costs and expenses, including attorneys' fees and costs, incurred by Franchisee in enforcing the provisions of this Agreement.

11. Franchisee's failure to enforce any provision, right, or remedy under this Agreement will not constitute a waiver of such provision, right, or remedy.

12. This Agreement and performance hereunder will be governed, construed, and enforced under Colorado law, without giving effect to any conflicts of law. The Parties agree that any action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief will be filed exclusively in the United States District Court for the District of Colorado or the District Court for Jefferson County, Colorado; provided, at is sole option, Franchisee may bring an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief in the state or federal court encompassing Employee's residence. The Parties agree that personal jurisdiction and venue will be proper in such court(s). If any Party initiates an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief, the prevailing party in such action will be entitled to recover, in addition to any relief to which it is deemed entitled, its costs and expenses, including reasonable attorneys' fees, incurred in connection with such action. The Parties hereby knowingly and voluntarily waive any and all rights to trial by jury.

13. Franchisee and Employee each acknowledge and agree that neither Franchisee nor Employee is an employee or joint employee of Franchisor.

14. This Agreement is and will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, representatives, successors, and assigns.

15. The Parties intend for the provisions of this Agreement to be enforced to the fullest extent permitted by applicable law. If any provision or part of this Agreement, or any application of this Agreement, is determined to be invalid, void, unenforceable, or contrary to law, the remainder of the Agreement will remain in full force and effect.

16. This Agreement constitutes the entire agreement of the Parties with respect to the Parties' respective obligations in connection with Confidential Information disclosed hereunder and supersedes all prior oral and written agreements and discussions with respect thereto. Each Party intends that a copy of or electronic version of its signature be regarded as an original signature and that this Agreement can be executed in counterparts. The Parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives. Employee will not assign this Agreement without first securing Franchisee's written consent.

17. Franchisor is an intended third-party beneficiary of this Agreement, entitled to all rights of Franchisee, with the full and independent right to enforce all terms of this Agreement.

IN WITNESS WHEREOF, Franchisee and Employee have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

FRANCHISEE:

By:_____
Name:_____
Title:_____

EMPLOYEE:

By:_____
Employee Name:_____
Date:_____

ATTACHMENT C

Franchise Agreement

(See Exhibit C of Franchise Disclosure Document)

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND DEVELOPER'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Developer, and a description of the nature of their interest:

NAME	PERCENT OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST

B. The following is a list of all of Developer's Principals, as defined in and designated pursuant to Section XIII.G. of the Development Agreement, each of whom shall (unless executing the Principals' Guaranty and Assumption Agreement) execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to the Development Agreement:

_____

_____

_____

_____

ATTACHMENT E

DESCRIPTION OF TERRITORY

TERRITORY:

_____

_____

_____

_____

ATTACHMENT F

DEVELOPMENT SCHEDULE AND PROJECTED OPENING DATES

Development Period	Franchise Agreement Execution Date	Projected Opening Date	Expiration Date of Development Period	Cumulative Total Number of Spas Located in the Territory Which You Must Have Open and in Operation
1	Concurrently with this Agreement			
2				
3				
4				
5				
6				
7				
8				
9				
10				

EXHIBIT C

FRANCHISE AGREEMENT

THE WOODHOUSE SPAS, LLC

FRANCHISE AGREEMENT

THE WOODHOUSE SPAS, LLC
FRANCHISE AGREEMENT

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ATTACHMENTS

Attachment A Principals' Guaranty and Assumption Agreement
Attachment B Confidentiality Agreement and Ancillary Covenants Not to Compete
Attachment B-1 Confidentiality Agreement
Attachment C Selected Terms: Location and Protected Area
Attachment D Statement of Ownership Interests and Franchisee's Principals
Attachment E Electronic Funds Transfer Authorization
Attachment F Construction Management Services

ADDENDA

Site Selection and Acquisition Addendum ("Site Addendum")

THE WOODHOUSE SPAS, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into this _____, by and between The Woodhouse SPAS, LLC, a Texas limited liability company ("Franchisor"), and _____ ("Franchisee") and shall be effective as of the date on which Franchisor executes this Agreement ("Effective Date"). Certain initially capitalized terms used frequently in this Agreement are defined in Section XXI.

RECITALS:

Franchisor has the right to use and license the use of a system (the "System") for the establishment and operation of day spa businesses under the Marks (defined below) ("Woodhouse Day Spas," "Woodhouse Spa," or "Spas").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which may be changed, deleted, improved, and further developed by Franchisor from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Woodhouse Day Spa," "Woodhouse," and "Woodhouse Spa." and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System (the "Marks").

Franchisee wishes to obtain the right to use the System for the operation of a Woodhouse Spa at the location specified in Attachment C to this Agreement (the "Location"), as well as to receive the training and other assistance provided by Franchisor, and acknowledges the importance of operating the Woodhouse Spa in conformity with Franchisor's high standards of quality and service.

Franchisor wishes to grant Franchisee a franchise for the operation of a Woodhouse Spa upon the terms and conditions set forth in this Agreement.

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

I. GRANT

A. Grant of Rights. Franchisor hereby grants Franchisee the right and license, and Franchisee hereby accepts the right and obligation, to establish and operate a Woodhouse Spa under the Marks and the System in accordance with this Agreement at the Location. This Agreement only grants Franchisee the right and license to operate the Woodhouse Spa at the Location.

B. Protected Area. Upon Franchisee's acquisition of the site for the Woodhouse Spa, Franchisee's Protected Area will be described in Attachment C. Except as provided in this Agreement (including Section I.C. hereof), and subject to Franchisee's full compliance with this Agreement and any other agreement between Franchisee or its Affiliates and Franchisor or its Affiliates, neither Franchisor nor any Affiliate of Franchisor will establish, or authorize any person or entity other than Franchisee to establish, a Woodhouse Spa in the Protected Area during the term of this Agreement.

C. Reserved Rights. The rights granted to Franchisee under this Agreement are nonexclusive, and Franchisor and its Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to Franchisee. Accordingly, Franchisor, its Affiliates, and any other authorized

person or entity shall have the right, among others, (i) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to Franchisee, (ii) to advertise and promote the System in the Protected Area, (iii) to operate, and license others to operate, Woodhouse Spas at any location outside the Protected Area, including locations that are adjacent to the Protected Area and notwithstanding the proximity of such Woodhouse Spas to the Protected Area or their actual or threatened impact on sales at the Spa, and (iv) except for the restriction set forth in Section I.B. against the establishment of another Woodhouse Spa in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all services and products, under the Marks, or under other names or marks, within and outside the Protected Area, through any method of distribution, including, but not limited to, mail order catalogs or the Internet, regardless of the proximity to, or the competitive impact on, Franchisee's Woodhouse Spa.

II. LOCATION, CONSTRUCTION AND OPENING DATE

A. Location; Relocation. Franchisee has been granted the right to operate a Woodhouse Spa at the Location listed in Attachment C to this Agreement. Franchisee shall not relocate the Woodhouse Spa without Franchisor's express prior written consent. If Franchisee is unable to continue the operation of the Woodhouse Spa at the Location because of the occurrence of an event of Force Majeure (or for other reasons not constituting an event of default under this Agreement), Franchisee may request Franchisor's consent to relocate the Spa to another location in the Protected Area. Such request must be made within 10 days following Franchisee's discovery that it is unable to continue to operate. If Franchisor grants Franchisee the right to relocate the Spa, then Franchisee shall comply with such reasonable site selection and construction procedures as Franchisor may require.

B. Licenses; Permits. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the premises of the Woodhouse Spa. Before beginning construction of the Spa, Franchisee shall (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Woodhouse Spa, and (ii) certify in writing to Franchisor that they have been obtained and that the insurance coverage specified in Section XII. of this Agreement is in full force and effect. At Franchisor's request, Franchisee shall provide to Franchisor copies of all such approvals, clearances, permits, licenses and certifications.

C. Construction and Finish-Out. Franchisee shall obtain all architectural, engineering, design, construction, and other services Franchisor requires for the construction of the Woodhouse Spa and pay all related fees. Franchisee must obtain initial design services from Franchisor or its affiliate. These services are in addition to any final design plans Franchisee must obtain, including mechanical, HVAC, plumbing, electrical, and any other drawings required by any applicable codes, regulations, rules or laws from engineers, architects, or other design professionals. All architectural and general contractor services must be obtained from a supplier approved by Franchisor, which may be Franchisor, and Franchisee shall provide to Franchisor upon request a copy of the construction contract for the Spa and the final architectural plans prior to and after they have been approved as set forth in Section II.C(1) below. Franchisee must use Franchisor's in-house construction management team to provide construction management services in connection with the development of the Spa. Franchisor's construction management services are described in Attachment F. If Franchisee elects to construct or substantially renovate a building for its Spa, Franchisee must retain, at its sole cost and expense, a Franchisor approved independent third-party project management firm to manage the design and construction of the project. Franchisor will not manage, control, or be responsible for the design, construction, scheduling, budgeting, or completion of any such project.

(1) Within fifteen (15) days after Franchisee purchases or signs a lease agreement to lease the Location, Franchisee shall engage an architect approved by Franchisor and shall use the draftsman Franchisor requires, which may be Franchisor, to adapt Franchisor's prototypical architectural and design plans and specifications for a Woodhouse Spa for the construction of the Spa licensed under this Agreement.

All plans must be submitted to Franchisor and Franchisor will use commercially reasonable efforts to either approve or reject the plans within thirty (30) days after Franchisor receives preliminary modifications to the plans. Franchisee may not use any plans until Franchisor has approved them in writing, and Franchisor's silence with respect to approval or rejection of the plans shall not be deemed to be approval of the plans. Franchisor maintains the right to reject, in its sole discretion, all requests for plan modifications. Franchisee shall provide written notice to Franchisor and shall obtain Franchisor's prior written approval of any proposed changes to the final plans previously approved by Franchisor. Franchisee acknowledges that Franchisor's review of such plans is only for purposes of determining compliance with System standards, and that acceptance of such plans by Franchisor does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor that such plans are accurate or free of error concerning their structural application. Franchisor shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) Franchisee shall promptly commence and diligently pursue construction of the Spa. Commencement of construction is defined as the time at which any site work is initiated. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises, depending on whether the Spa is to be located in a freestanding building or contained within a shopping mall, strip center or other interior location. During construction, Franchisee shall provide Franchisor with such periodic progress reports as Franchisor may reasonably request and provide Franchisor with any related submittals that Franchisor may reasonably request or prescribe in the Manual. In addition, Franchisor may make on-site inspections as it may deem reasonably necessary to evaluate such progress. Franchisee agrees that Franchisor shall have right to consult or work directly with the contractors engaged by Franchisee to construct and/or finish out the Spa. Franchisee shall notify Franchisor of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. Within a reasonable time after the date construction is completed, Franchisor shall, at its option, conduct an inspection of the completed Spa. Franchisee shall not open the Spa for business without the written authorization of Franchisor, which authorization shall be conditioned upon Franchisee's strict compliance with this Agreement.

D. Opening Date. Franchisee shall open the Spa and commence business fourteen months (14) months after the execution of this Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. Franchisee acknowledges that time is of the essence. Before the Opening Date, Franchisee shall complete all exterior and interior preparations for the Spa, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications approved by Franchisor, and shall comply with all other pre-opening obligations of Franchisee, including, but not limited to, those obligations described in Section VI. of this Agreement. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening. Franchisee's failure to open the Spa in compliance with these provisions shall be deemed a material event of default under this Agreement. Franchisee may request, in writing, an extension of time from the Franchisor prior to the deadline to open ("Extension Request"). Franchisor may approve or disapprove the Extension Request in its sole determination. Franchisor may condition its grant of an extension upon Franchisee's payment of a $5,000 extension fee, which payment must be paid to Franchisor upon granting the extension. If the Extension Request is granted, Franchisee's opening deadline will be extended by six (6) months. No more than one extension will be granted.

III. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until the end of the tenth (10th) anniversary from the Effective Date.

B. Renewal. Franchisee may, at its option, renew its rights under this Agreement for one (1) additional consecutive term of ten (10) years, subject to any or all of the following conditions which must, at Franchisor's option, be met prior to and at the time of renewal:

(1) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than nine (9) months before the end of the initial term;

(2) Franchisee shall refurbish, repair or replace, at Franchisee's cost and expense, all equipment, electronic cash register systems, computer systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Spa as Franchisor may reasonably require and shall otherwise upgrade the Spa to reflect the then-current standards and image of the System;

(3) Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto; neither Franchisee nor its Affiliates shall be in default of any other agreement with Franchisor or any of its Affiliates; and Franchisee and its Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during the respective terms thereof;

(4) Franchisee shall have timely satisfied all monetary obligations owed to Franchisor and its Affiliates under this Agreement and any other agreement between Franchisee or any of its Affiliates and Franchisor or any of its Affiliates;

(5) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the premises of the Spa during the renewal term or obtain Franchisor's consent to a new site for the Spa;

(6) Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) Franchisee shall pay to Franchisor a renewal fee in the amount of Twelve Thousand Seven Hundred and Fifty Dollars ($12,750).

(8) Franchisee and its Principals shall execute a general release of any and all claims against Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

(9) Franchisee shall comply with Franchisor's then-current qualification and training requirements.

C. Holdover. In the event the parties continue to perform under this Agreement after expiration of the initial term or the renewal term, as applicable, without executing a new agreement, this Agreement will be deemed to extend on a month-to-month basis and both parties will have the right to terminate (and prevent further extensions of) this Agreement upon at least thirty (30) days' written notice.

IV. FEES

A. Initial Franchise Fee. Franchisee shall pay Franchisor an initial franchise fee of Sixty Thousand Dollars ($60,000) upon the execution of this Agreement ("Initial Franchise Fee"). If this Agreement is for the first Spa under a development agreement with Franchisor, Franchisee must also pay the development fee set forth in the development agreement to be executed concurrently herewith. If this Agreement is for the second or third Spa under a development agreement with Franchisor, then notwithstanding the foregoing and expressly subject to such development agreement, no Initial Franchisee

Fee will be due under this Agreement. The Initial Franchise Fee shall be deemed fully earned and nonrefundable upon execution of this Agreement.

B. Royalty Fee. During the term of this Agreement, Franchisee shall pay to Franchisor a continuing weekly royalty fee in an amount equal to six percent (6%) of the Spa's Gross Sales for the immediately preceding week. The royalty fee shall be paid by Franchisee to Franchisor via electronic funds transfer, or any other means reasonably specified by Franchisor, and shall be due each Tuesday during the term of this Agreement, provided such day is a Business Day. If the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. On or before each Monday during the term of this Agreement, Franchisee shall provide a Gross Sales Report to Franchisor.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Franchisee to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen (18%) percent per annum, or the maximum rate allowed by applicable law. Further, Franchisee shall owe an additional amount of $100 for each day that any overdue payment remains unpaid. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its Affiliates under this Agreement or any other agreement between them, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Franchisee shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Franchisee.

D. Other Fees and Payments. In addition to the initial franchise fee and weekly royalty, Franchisee shall pay when due all other fees or amounts described in this Agreement.

E. Electronic Funds Transfer. At Franchisor's request, Franchisee shall execute Attachment E to this Agreement and all other documents necessary to permit Franchisor to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("EFT") in the amount of the royalty fee in Section IV.B. and the advertising contribution described in Section VIII.B., as well as any other fees owed to Franchisor under this Agreement, at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales shall be based on the information obtained by Franchisor pursuant to Section VII.G. of this Agreement or the Gross Sales Report. If the Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject week based on the most recent Gross Sales Report provided to Franchisor by Franchisee; provided, that if a Gross Sales Report for the subject week is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall

be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment and any service charge. If any payments are not received when due, interest may be charged in accordance with Section IV.C. Upon written notice to Franchisee, Franchisor may designate another method of payment.

V. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide, or cause the following services to be provided:

A. Manuals. Access to an electronic copy of our confidential operating Manual.

B. Software Programs. For a reasonable fee, any Software Programs that Franchisor acquires, develops, or requires for use in the System; provided, that Franchisor is under no obligation to acquire, develop, or require such Software Programs.

C. Inspections. Inspections of the Spa and evaluations of the products sold and services rendered therein from time to time as reasonably determined by Franchisor.

D. Advertising. Administration of an advertising fund and/or advertising cooperatives in accordance with Section VIII., as well as the provision of certain grand opening materials and other advertising and promotional materials developed by Franchisor from time to time for use in marketing and conducting local advertising for System Spas.

E. Operational Advice. Advice and written materials concerning techniques for managing and operating Woodhouse Spas, including new developments and improvements in System equipment and System products.

F. Collateral Merchandise. From time to time, in Franchisor's discretion, Franchisor may make available for purchase from Franchisor or an approved supplier certain merchandise identifying the System for resale, such as caps, t-shirts and other System memorabilia, in sufficient amounts to meet customer demand.

G. Approved Suppliers. From time to time as Franchisor deems appropriate a list of approved suppliers.

H. Training. An initial training program for Franchisee's Operating Principal, and General Manager, and additional training programs in accordance with Section VI.G.

I. Opening Assistance. Franchisor may provide one (1) on-site visit in connection with the opening of Franchisee's Spa as part of the initial franchise fee. If Franchisee requests additional pre-opening and opening assistance, or Franchisor otherwise deems such additional assistance appropriate, Franchisor may charge a reasonable fee for its services, in addition to requiring Franchisee to pay or reimburse Franchisor for any expenses incurred by Franchisor's representatives.

J. Remedial Training. Upon Franchisee's reasonable request or if Franchisor shall determine it to be necessary during the term of this Agreement, on-site remedial training; provided, that remedial training shall be conducted subject to the availability of Franchisor's personnel, and provided further, that Franchisor may require Franchisee to pay the per diem fee then being charged for on-site remedial training, and pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and wages.

VI. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND

COVENANTS

A. Continuing Obligations. Franchisee and its Principals make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing obligations, and Franchisee and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Franchisee will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

B. Organization. If Franchisee is a corporation, partnership, limited liability company or other legal entity:

(1) Franchisee is duly organized and validly existing under the law of the state of its formation;

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Franchisee's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Franchisee are confined exclusively to the operation of Woodhouse Spas;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership or a limited liability company, are permitted under Franchisee's written partnership or limited liability company agreement and have been duly authorized by Franchisee; and

(5) If Franchisee is a corporation, copies of Franchisee's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Franchisee is a partnership or limited liability company, copies of Franchisee's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Franchisee's written partnership or limited liability company agreement.

C. Ownership.

(1) If Franchisee is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Franchisee are accurately and completely described in Attachment D. If Franchisee is a corporation, Franchisee shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee or, if Franchisee is a partnership, limited liability company or other form of legal entity, Franchisee shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Franchisee shall make its list of owners available to Franchisor upon request.

(2) If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Franchisee is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) If required by Franchisor, Franchisee's Principals who do not sign the Principals' Guaranty and Assumption Agreement attached as Attachment A shall each execute the Confidentiality Agreement and Ancillary Covenants Not to Compete in the form of Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Franchisee's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Franchisee's Principals, Franchisee shall notify Franchisor within ten (10) days after any such change and, upon designation of such person by Franchisor as one of Franchisee's Principals such person shall execute all documents and instruments (including, as applicable, the Principals' Guaranty and Assumption Agreement) as Franchisor may require others in such positions to execute.

D. Financial Matters.

(1) Franchisee and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Franchisee and such Principals. Such financial statements present fairly the financial position of Franchisee and each of the Principals, as applicable, at the dates indicated therein and, with respect to Franchisee, the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent, or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates, including, if Franchisee is an individual, Franchisee's spouse, shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Franchisee shall provide Franchisor with any and all loan or other documents regarding the financing of its Spa that Franchisor may request.

(4) Franchisee shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal; General Manager. Upon the execution of this Agreement, Franchisee shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Franchisee's Operating Principal. If Franchisee is an individual, Franchisee shall perform all obligations of the Operating Principal.

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than twenty-five percent (25%) in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal for all Woodhouse Spas operated by Franchisee and, if applicable, its Affiliates must be the same person, and the Operating Principal under this Agreement and any Development Agreement pursuant to which this Agreement is executed must be the same person. The Operating Principal shall execute this Agreement as a Principal, and shall be individually, jointly and severally, bound by all obligations of Franchisee, the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section VI.E.(1), Franchisee may, at its option and subject to Franchisor's written consent, designate a General Manager to supervise the operation of Franchisee's Woodhouse Spa; provided, that Franchisee and its Operating Principal shall remain fully responsible for General Manager's performance. The General Manager for all Woodhouse Spas operated by Franchisee

and, if applicable, its Affiliates must be the same person, and the General Manager under this Agreement and any Development Agreement pursuant to which this Agreement is executed must be the same person. The General Manager shall execute the Confidentiality Agreement attached as Attachment B-1 to this Agreement.

(3) Unless a General Manager is designated pursuant to Section VI.E.(2), Franchisee's Operating Principal shall devote full time and best efforts to the supervision of the Woodhouse Spa(s) operated by Franchisee and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a General Manager is designated, provided, the General Manager shall devote his or her full time and best efforts to the supervision and operation of the Woodhouse Spa business conducted by Franchisee.

(4) The Operating Principal and any General Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Franchisee.

Franchisee must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section VI.E. will be a material breach of this Agreement.

F. Other Required Personnel. Not later than forty-five (45) days before the Opening Date, Franchisee shall designate and retain at all times during the term of this Agreement sufficient personnel required to operate the Spa on a full-time basis, including at least one (1) registered massage therapist and at least one (1) licensed esthetician. The massage therapist, esthetician, and nail technician shall at all times maintain all licenses and/or registrations required under applicable laws or regulations. Franchisee will be solely responsible for all employment and personnel matters and decision involving the Spa and Franchisee's business, including but not limited to the hiring, firing, discipline, supervision, direction, scheduling, and compensation of Franchisee's employees. Franchisor will not, directly or indirectly, exercise or reserve control over employment and personnel matters and decisions involving Franchisee's employees.

G. Training. Franchisee's Operating Principal and General Manager shall successfully complete Franchisor's initial training program prior to the Opening Date; provided, however, if Franchisee operates one or more existing Spas at the time of execution of this Agreement, then Franchisor may, in its sole discretion, excuse some or all of such initial training requirements, whether upon Franchisee's reasonable request or otherwise. Any successor or replacement Operating Principal or General Manager shall successfully complete Franchisor's initial training program within a reasonable time after such persons are designated. Such persons, and any other management-level personnel of Franchisee whom Franchisor may designate, shall attend and complete any additional training and other informational and franchisee meetings, conventions, or conferences that Franchisor may from time to time require. Training and other meetings shall be conducted at locations designated by Franchisor.

(1) Franchisee will be charged an initial training fee in the amount of Five Thousand Dollars ($5,000) ("Initial Training Fee") for Franchisee's Operating Principal and General Manager to participate in Franchisor's initial training program. The Initial Training Fee must be paid to us prior to the opening of the Spa. Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Franchisee, its Operating Principal and General Manager, and may be charged a fee for failure to attend any required franchisee meetings, conventions, or conferences.

(2) If any Operating Principal, or General Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's initial training program, and Franchisee fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement.

(3) Franchisor reserves the right to hold and require Franchisee to attend an annual franchisee convention to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. Franchisor may charge a fee up to $1,000 per person to attend this annual convention. If a fee is charged for such mandatory convention, Franchisee will be required to pay the conference fee, regardless of attendance; provided, the fee will not exceed $1,000 per Spa if no person attends on behalf of Franchisee. Franchisee must pay all personal travel and living expenses for all of its personnel attending the annual convention.

H. Legal Compliance. In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement.

I. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to (i) assign to Franchisor upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Spa, any related business listings, and all rights to any Website listings or services, search engines or systems, and any other business listings related to the Spa and (b) at Franchisor's option, Franchisee's interest in any lease for the premises of the Spa and any equipment used in the operation of the Spa; and (ii) obtain any and all returns and reports related to the Spa that Franchisee files with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement and Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

J. No Competing Interests. Franchisee warrants and represents that neither Franchisee nor any of its Affiliates or Principals own, operate or have any financial or beneficial interest in any business that is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments).

K. Anti-Terrorism Laws. Without limiting the generality of Section VI.G., Franchisee certifies that neither Franchisee nor its owners, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.ustreas.gov/offices/enforcement/ofac/.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchise certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section XV. of this Agreement pertain to Franchisee's obligations under this Section VI.K. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of

Franchisor's Affiliates in accordance with the terms of Sections XVII.C.(11) and XVIII. of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

VII. SPA OPERATIONS

A. Standards Compliance. Franchisee acknowledges and agrees that maintaining uniformity among all Woodhouse Spas is important. Franchisee further acknowledges and agrees that local conditions or other special circumstances may warrant a deviation from Franchisor's standards and specification, and Franchisor may, in its sole discretion, allow such deviation. Notwithstanding the foregoing, to protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee shall conduct its business in accordance with the Manuals, other written directives which Franchisor may issue to Franchisee from time to time, and any other manuals and materials created or approved for use in the operation of Woodhouse Spas. Upon notice by Franchisor that Franchisee is in violation of any of the standards, specifications, or procedures prescribed by Franchisor, Franchisor may, at Franchisor's option, charge Franchisee a non-compliance fee of $50 for each day that Franchisee remains in such violation following such notice until such violation is cured.

B. Maintenance of Woodhouse Spa. Franchisee shall maintain the Woodhouse Spa in a high degree of sanitation and repair, and shall make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, and equipment (including, but not limited to, point of sale or computer systems) as Franchisor may reasonably direct. Franchisee also shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which Franchisor may reasonably require for Franchisee to offer and sell new services or products from the Woodhouse Spa or to provide such services or products by alternative means. Except as may be expressly provided in the Manuals, no alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the Spa without Franchisor's prior written approval.

C. Upgrade of Spa. Upon Franchisor's request, Franchisee shall make such improvements to the Spa to conform it to Franchisor's then-current standards and specifications. Without limitation of the foregoing, Franchisee agrees that it will make any capital improvements required by this Section VII.C. if requested by Franchisor on or after the fifth (5th) anniversary of the Opening Date, or at such other time during the term of this Agreement that a majority of the Woodhouse Spas then operated by Franchisor or its Affiliates have made or are utilizing best efforts to make such improvements. Franchisee may not remodel or make significant modifications to the Spa without Franchisor's prior written approval.

D. Sourcing. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase of supplies, materials, fixtures, furnishings, equipment (including computer hardware and software), services, and other merchandise or products used or offered for sale at the Spa. Franchisee must purchase certain furnishings, fixtures, merchandising items, operating equipment, decor items, private label inventory, and printed pieces from Franchisor's approved suppliers. If Franchisor has approved suppliers for any such item or service (including manufacturers, distributors, and other sources), Franchisee must obtain these items from those suppliers. Franchisor's approved suppliers are those who continue to demonstrate the ability to meet Franchisor's then-current standards and specifications supplies, materials, fixtures, furnishings, equipment, services and other products used or offered for sale at

Woodhouse Spas and who possess adequate quality controls and capacity to supply Franchisee's needs and distribute promptly and reliably over an extended period of time; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier and who have not thereafter been disapproved by Franchisor. Franchisee acknowledges and agrees that (a) Franchisor may change the number of approved suppliers at any time and may designate itself, an Affiliate, or a third party as the exclusive source for any particular item; and (b) Franchisor may profit from Franchisee's purchases from approved suppliers, and Franchisor and/or its Affiliates may receive payments, fees, commissions or reimbursements from such suppliers in respect of Franchisee's purchases. If Franchisee desires to purchase, lease or use any products, services, or other items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspection and of the test (including Franchisor's administrative costs attributable to both), shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisee's failure to comply with the provisions of this Section VII.D. shall be deemed a material breach under this Agreement.

E. Operational Requirements. Franchisee shall operate the Spa in strict conformity with Franchisor's methods, standards and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, Franchisee agrees:

(1) To sell or offer for sale all products and services required by Franchisor (including, without limitation, the brand(s) of body and bath products that Franchisor requires and all spa treatments that Franchisor requires). Franchisor may require that Franchisee purchase such products only from Franchisor's approved vendor(s), which may be either Franchisor or its Affiliate.

(2) To sell and offer for sale only the products and services that have been expressly approved for sale in writing by Franchisor; to discontinue selling and offering for sale any products or services which Franchisor may, in its sole discretion, disapprove in writing at any time; and to refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent. Franchisor has the absolute right to remove all unapproved products, goods and materials from Franchisee's Spa.

(3) To maintain in sufficient supply and to use and sell at all times only such products, materials, and supplies that conform to Franchisor's standards and specifications; to conduct all spa treatments in accordance with Franchisor's procedures contained in the Manuals or other written directives, including, but not limited to, using the brand and/or type of spa products required by Franchisor and to refrain from deviating from Franchisor's standards and specifications by the use or offer of non-conforming products or services, without Franchisor's prior written consent.

(4) To permit Franchisor or its agents, at any reasonable time, to remove samples of spa products from the Spa, without payment, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether such samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the product has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's specifications.

(5) To purchase or lease and install, at Franchisee's expense, all fixtures, furnishings, equipment (including computer systems), decor items, signs, and related items that Franchisor may

reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Spa premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals.

(6) That products, equipment, and technology are constantly changing, whether updated, improved, replaced, or discontinued. Consequently, such changes sometimes create transition and incompatibility challenges. By entering into this Agreement, Franchisee acknowledges the potential of such occurrences and assumes all risk associated therewith, which Franchisee acknowledges may affect its ability to order, receive, or sell products and/or offer services for a period of time and further acknowledges that Franchisor is not responsible for any damages caused by such issues or occurrences, including lost sales or profits.

(7) To grant Franchisor and its agents the right to enter the Spa at any time for the purpose of conducting inspections; to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection for the purpose of protecting System standards. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time, as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge Franchisee a reasonable fee for Franchisor's expenses in so taking the corrective action (including, without limitation, any necessary reinspection). Any such fee is payable by Franchisee immediately upon demand.

(8) To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with any dress code Franchisor may prescribe.

(9) To have on duty at the Spa during all hours of operation the Operating Principal or General Manager.

(10) To protect the reputation and goodwill of the Woodhouse Spas system, brand, and trademarks, Franchisor shall have the right and authority to require Franchisee to use, at Franchisee's expense, a supplier approved or designated by Franchisor to conduct Franchisee's background checks and investigations of spa professionals accused or suspected of a breach of safety protocols. Franchisor may require Franchisee to subscribe to these services through its master account and pay Franchisor a fee for the cost of these services.

F. Pricing. Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that Franchisee may charge for products or services.

G. Computer Systems.

(1) Franchisee shall install and maintain the computer hardware, software (including, without limitation, point of sale software), and peripheral equipment Franchisor requires for the operation of the Spa and pay all related fees and shall follow the procedures related thereto that Franchisor specifies in the Manuals or otherwise in writing. Among other things, Franchisor may require that Franchisee install and maintain systems that permit Franchisor to access and retrieve electronically any information stored in Franchisee's computer systems, including, without limitation, information concerning Spa Gross Sales, at the times and in the manner that Franchisor may specify from time to time. Among other things, Franchisor may require that Franchisee use only approved point-of-sale software or system and may require that Franchisee pay a monthly fee to Franchisor or a third-party for the right to use such software or system. Franchisor also may require Franchisee to enter into software license agreements in the form that Franchisor or third parties require for software Franchisor develops or acquires for use in the System and pay all related

costs and fees. Franchisor may require Franchisee to pay a technology management, licensing, set-up, support, and/or maintenance fee, which may change from time to time. We may increase this fee as our costs to provide these services increase upon prior written notice to you. All information contained in and collected by any such computer program (including, but not limited to, information pertaining to customers of the Spa) shall be the sole and exclusive property of Franchisor.

(2) Franchisee acknowledges and agrees that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and the System. Accordingly, Franchisee agrees that it will cause its Woodhouse Spa business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards (PCI DSS) council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act (FACTA) and all other successor or additional laws, and all other data security requirements Franchisor prescribes. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

H. Internet Website. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the bit speed required by Franchisor from time to time. Franchisee shall not establish any Website or other listing on the Internet except as provided herein.

(1) Franchisor has established, or may establish, an Internet Website that provides information about the System and the products and services offered by Woodhouse Spas. Franchisor has sole discretion and control over the Website (including timing, design, contents, and continuation). Franchisor may use part of the Advertising Fund monies it collects under this Agreement to pay or reimburse the costs associated with the development, maintenance, and update of the Website.

(2) Franchisor may (but is not required to) include at the Website an interior page containing information about Franchisee's Woodhouse Spa ("Franchisee's Webpage"). If Franchisor includes such information on the Website, Franchisor may require Franchisee to prepare (or pay Franchisor or a third party to prepare) all or a portion of Franchisee's Webpage, at Franchisee's expense, using a template that Franchisor provides. Any information, material, visual media uploaded by Franchisee to the Website shall become property of Franchisor, and Franchisor may use it for any lawful purpose. All such information will be subject to Franchisor's approval prior to posting. Franchisee may offer and sell Spa products and services which Franchisor has approved in writing only through Franchisee's Webpage solely in accordance with standards, protocols and restrictions that Franchisor includes in the Manual. Franchisee shall cease offering or selling Spa products and services through Franchisee's Webpage, or otherwise through the Internet, immediately upon written notice from Franchisor, which notice Franchisor may provide at any time and for any or no reason. Franchisee's failure to comply with Franchisor's standards, protocols and restrictions related to offering and selling Spa products and services through Franchisee's Webpage shall be an event of default for which Franchisor may terminate under Section XVII.D(7).

(3) Franchisor also shall have the sole right (but no obligation) to develop an Intranet through which Franchisor and its franchisees can communicate by e-mail or similar electronic means. If Franchisor develops such an Intranet, Franchisee agrees to use the facilities of the Intranet in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

I. Customer Complaints.

(1) Franchisee shall process and handle all consumer complaints connected with or relating to the Spa, and shall promptly notify Franchisor of all: (i) safety or health violations, (ii) claims exceeding One Thousand Dollars ($1,000), and (iii) any other material claims against or losses suffered by Franchisee. Franchisee shall maintain any communications with governmental authorities affecting the Spa

during the term of this Agreement and for one (1) year after the expiration or termination hereof.

(2) Upon the occurrence of a Crisis Management Event, Franchisee agrees to immediately inform Franchisor of such event and to cooperate fully with Franchisor and with the appropriate authorities with respect to the investigation of the Crisis Management Event. At Franchisor's request, following a Crisis Management Event, Franchisee will engage at Franchisee's expense, the PR Firm approved by Franchisor for assistance during and following the end of the event. In an effort to mitigate possible damages to the Marks and the System, Franchisee must cooperate fully with Franchisor with respect to managing statements and other responses to the Crisis Management Event. "Crisis Management Event" means any event that occurs at or about the Spa premises or in connection with the operation of the Spa that has or may cause harm or injury to customers or employees, such as food, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data breaches, real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

J. Data Privacy.

(1) Franchisee must secure from its vendors, customers, prospective customers, and others all consents and authorizations, and provide them all disclosures, that Applicable Law requires to transmit customer data, including Personal Information, to Franchisor and its Affiliates and for Franchisor and its Affiliates to use that customer data, including Personal Information, in the manner that this Agreement contemplates. For purposes of this Section VII.J, "Personal Information" means information that is received from Franchisor, or collected on Franchisor's behalf, that identifies, relates to, describes, is capable of being associated with, or is linked or could reasonably be linked, directly or indirectly, with a particular consumer or household, and including particular elements of "personal information" as defined under Cal. Civ. Code § 1798.140.

(2) With regard to Personal Information that Franchisee may collect, receive, or otherwise process as a result of any agreements between Franchisee and Franchisor (or its subsidiaries or affiliates), including this Agreement, Franchisee agrees and certifies that it will:

(a) Process Personal Information only for the limited and specified purposes of providing services requested by Franchisor.

(b) Notify Franchisor, and provide Franchisor with the ability to object, before transmitting Personal Information to a service provider, sub-processor, subcontractor, or other vendor.

(c) Require any service provider, sub-processor, subcontractor, or other vendor that receives Personal Information to agree to provisions materially similar to those found within this Section VII.J.

(d) Cooperate and assist Franchisor with responding to any request from an individual to exercise their rights under a data privacy or data security law or regulation.

(e) Comply with all applicable data privacy and data security laws including, but not limited to, Cal. Civ. Code 1798.100. et seq.

(f) Notify Franchisor if it believes that it can no longer meet the obligations of this Section VII.J.

(g) Implement and maintain reasonable and appropriate security procedures and practices designed to protect the Personal Information from unauthorized access, destruction, use, modification, or disclosure.

(h) Notify Franchisor immediately after becoming aware of any loss, unauthorized or unlawful processing, destruction, damage, alteration, or unauthorized disclosure of, or access to, the Personal Information (a "Security Breach"), and cooperate with Franchisor in the event of a

Security Breach including by sharing information relevant to the Security Breach.

(i) Allow and contribute to reasonable audits by Franchisor, including inspections by the Franchisor or its auditor, to verify Franchisee's compliance with data processing and security obligations and applicable data protection statutes and regulations.

(3) Franchisee further agrees and certifies that it will not:

(a) Sell, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information to another business or a third party for monetary or other valuable consideration.

(b) Retain, use, disclose, collect, sell, or otherwise process Personal Information for any purpose other than for the specific purpose of, and as necessary for, performing services for Franchisor pursuant to a written agreement(s). For clarity, Franchisee may not retain, use, or disclose the Personal Information for any other commercial purposes or outside of the direct business relationship between Franchisee and Franchisor.

(c) Combine the Personal Information that it receives from Franchisor with the Personal Information that it receives from another company or business (or that it collects from its own interaction with individuals), except if expressly permitted to do so by Franchisor or required to do so by law.

(d) Share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information for the purpose of cross-context behavioral advertising.

(4) This Section VII.J will survive expiration or termination of this Agreement and any other agreement(s) that may exist between Franchisee and Franchisor (or its subsidiaries or affiliates). Existing terms in such agreement(s) remain in effect except that this Section VII.J controls in the event of a conflict with such terms. In the event of a breach of this Section VII.J, Franchisor may take reasonable and appropriate steps to stop and remediate the unauthorized use by Franchisee of Personal Information.

VIII. ADVERTISING AND RELATED FEES

A. Promotional Programs.

(1) Franchisee shall participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention, membership or clubs or special promotional program that Franchisor implements for all or part of the Woodhouse franchise system including any requirements and procedures related thereto and any requirements and procedures related to the acceptance and settlement of gift card liabilities or other promotions between spas. Franchisee shall sign the forms and take any other action that Franchisor requires in order for Franchisee to participate in such programs and pay all related fees.

(2) In addition to the programs described in Section VIII.A.(1), Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all Woodhouse Spas operating under the System, including but not limited to digital and social media marketing. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor and pay all related costs. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, shall be final and binding upon Franchisee.

B. National Advertising Assessment. During the term of this Agreement, Franchisee must contribute to the Advertising Fund described in Section VIII.E. in an amount determined by Franchisor,

which contribution amount will not exceed two percent (2%) of the Spa's Gross Sales. Contributions to the Advertising Fund are due at the time and in the manner that royalty payments are made.

C. Local Advertising Expenditures.

In addition to contributions that Franchisee pays to the Advertising Fund, Franchisee must spend each calendar quarter throughout the term of this Agreement, at a minimum, at least one and three quarters percent (1.75%) of the Spa's Gross Sales for local advertising, marketing, and promotion of the Spa (the "Local Advertising Expenditures"). The amount Franchisee spends on local advertising must be spent on advertising for Franchisee's Spa in the local market area, which is the same as the Protected Area. Franchisor may require Franchisee to submit a quarterly advertising expenditure report to Franchisor, accurately reflecting Franchisee's local advertising expenditures for the preceding quarter within fifteen (15) days following the end of each calendar quarter. If Franchisor determines that Franchisee's documented spending on local advertising during the most-recently completed calendar quarter was less than the minimum required amount of the Local Advertising Expenditures, Franchisor may collect the unspent amounts directly from Franchisee and deposit such amounts into the Advertising Fund, without any liability or obligation to us such amounts for Franchisee's local advertising. Expenditures incurred for any of the following may not be included towards Franchisee's minimum required Local Advertising Expenditures for purposes of this Section VIII.C., unless Franchisor, at Franchisor's sole option, first approves them in writing:

(1) Incentive programs for Franchisee's employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of Franchisee's employees,

(2) Non-media costs incurred in any promotion;

(3) Charitable, political or other contributions or donations;

(4) In-store materials consisting of fixtures or equipment;

(5) The cost of business directory and other listings; and

(6) Grand Opening expenditures incurred pursuant to Sections VIII.F. or IV.B.

D. Cooperatives. Franchisor has the right to designate any geographic area in which two (2) or more company-owned or franchised Woodhouse Spas are located as a region for purposes of establishing an advertising Cooperative. Each Cooperative will be organized and governed as, and will begin operation on a date, Franchisor determines. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes the Protected Area, Franchisee shall execute the Cooperative documents promptly upon Franchisor's request and participate as a member of the Cooperative. Among other things, this means that (i) Franchisee must submit to the Cooperative and to Franchisor all statements and reports that Franchisor or the Cooperative may require, and (ii) Franchisee must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that Franchisee's Cooperative contribution will be applied toward satisfaction of its local advertising requirement under Section VIII.C. Franchisor has the sole right to form, change, dissolve, and merge Cooperatives and to create and amend any organizational and governing documents of any Cooperative.

E. Advertising Fund. Franchisor has established an Advertising Fund to produce advertising for the System. Franchisee must contribute to the Fund the amounts required under Section VIII.B. of this Agreement, at the time and in the manner that royalty payments are due under Sections IV.C. and IV.F. Franchisor or its designee will administer the Fund as follows:

(1) Franchisor will direct all advertising production programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs.

(2) Franchisor or its Affiliates will contribute to the Fund generally on the same basis as franchisees for any Woodhouse Spas they operate.

(3) Franchisor may use the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares.

(4) The Fund will be operated solely as a conduit for collecting and spending advertising contributions for the System. Franchisee's contributions will not be used to defray any of Franchisor's general operating expenses, except for any reasonable administrative costs and overhead that Franchisor may incur in activities reasonably related to the administration or direction of the Fund. Such payment of costs and overhead may be determined by a reasonable method of allocation. The Fund and its earnings will not otherwise inure to Franchisor's benefit.

(5) Franchisor will prepare an annual statement of the Fund's operations and will make it available to Franchisee upon request. In administering the Fund, Franchisor undertakes no obligation to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production of advertising.

(6) Although the Fund is intended to be of perpetual duration, Franchisor may terminate it. Franchisor will not terminate the Fund, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

F. Grand Opening and New Location Launch. Franchisee shall carry out a grand opening promotion for the Spa in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. Franchisor may require approval of all advertising items, methods and media Franchisee uses in connection with such grand opening promotion in accordance with Section VIII.G. Franchisee must spend at least five thousand dollars ($5,000) on the Spa's grand opening promotion. Franchisor may require Franchisee to submit one or more expenditure reports to Franchisor, accurately reflecting Franchisee's grand opening expenditures.

In addition, Franchisee must participate in Franchisor's "New Location Launch Program" to promote the Spa in its individual market for at least two (2) months prior to opening and three (3) months post opening. Franchisee shall pay Franchisor a New Location Launch Program fee of Ten Thousand Dollars ($10,000), prior to commencing construction in order to participate in Franchisor's New Location Launch Program, pursuant to which Franchisor will direct a digital marketing campaign promoting the Spa in Franchisee's local market. Amounts paid for the initial grand opening promotion and New Location Launch Program will not be credited toward any other obligation of Franchisee under this Section VIII.

G. Advertising Approvals. All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to Franchisor's standards and specifications. Franchisee must obtain all advertising and marketing materials used for the Spa from a supplier approved by Franchisor. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials, including, without limitation, those placed on the Internet pursuant to Section VII.H., prior to use if such plans and materials have not been prepared or previously approved by Franchisor during the six (6) month period immediately preceding their proposed use. Franchisee shall submit any unapproved plans and materials to Franchisor, and Franchisor shall approve or disapprove such plans and materials within twenty (20) days after receiving them. Franchisee shall not use any unapproved plans or materials until they have been approved by Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Franchisee hereby grants

Franchisor an exclusive right to utilize any advertising and marketing materials, without cost, developed by Franchisee, and Franchisor will have the right to grant other franchisees the right to use such advertising and marketing materials.

IX. MARKS

A. Right to Use the Marks. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with this Agreement and Franchisor's standards and specifications.

B. Agreements Regarding the Marks. Franchisee expressly acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor is the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the rights of Franchisor or its Affiliates in and to the Marks. Nothing in this Agreement shall give Franchisee any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to the benefit of Franchisor or its Affiliates, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisee shall not contest, or assist others to contest, the validity, or the interest, of Franchisor or its Affiliates in the Marks.

(5) Any unauthorized use of the Marks shall constitute an infringement of Franchisor's or its Affiliates' rights in the Marks and a material event of default under this Agreement. Franchisee shall provide Franchisor with all assignments, affidavits, documents, information and assistance related to the Marks that Franchisor or its Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of Franchisor or its Affiliates in the Marks.

(6) Franchisor shall have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Woodhouse Spas operating under the System if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute marks.

C. Use of the Marks. Franchisee further agrees that Franchisee shall:

(1) Operate and advertise the Spa only under the name "Woodhouse Day Spa," "Woodhouse," and "Woodhouse Spa," without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee shall not use the Marks as part of its corporate or other legal name.

(2) Identify itself as the owner of the Spa in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and shall display a notice in such content and form and at such conspicuous locations on the premises of the Spa as Franchisor may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

(4) Comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by Franchisor or its counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

(5) Franchisee shall not use the Marks or any abbreviation or other name associated with Franchisor or the System as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to the content of such e-mail advertisements or solicitations as well as Franchisee's plan for transmitting such advertisements. In addition, Franchisee shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act of 2003").

D. Infringement. Franchisee shall notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Mark and of any claim by any person of any rights in any Mark. Franchisee and the Principals shall not communicate with any person other than Franchisor, its Affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge or claim. Franchisor shall have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any Affiliate in the Marks.

E. Domain Names. Franchisee acknowledges that Franchisor is the lawful, rightful and sole owner of the Internet domain names *www.woodhousespas.com* and *www.woodhousespa.com*, and any other Internet domain names registered by Franchisor, and unconditionally disclaims any ownership interest in those or any colorably similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or its Affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

X. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals are Franchisor's property and shall be deleted or returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals shall at all times treat the Manuals, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Section X. Franchisee and the Principals shall not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. Franchisee shall make the Manuals available only to those of Franchisee's employees who must have access to them in order to operate the Spa. Franchisee shall, at all times, keep and maintain the Manuals in a secure place at the Spa. Franchisor has the right to add to or modify the Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. Franchisee shall comply with the terms of all additions and modifications to the Manuals and shall keep the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at Franchisor's offices shall control. The entire contents of the Manuals, and Franchisor's mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Confidentiality. Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge or use for the benefit of any other person or entity and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information, knowledge or know-how concerning the methods of operation of the franchised business which may be communicated to them, or of which they may be apprised, in connection with the operation of the Woodhouse Spa under the terms of this Agreement. Franchisee and the Principals shall divulge such Confidential Information only to those of Franchisee's employees who must have access to it

in order to operate the Spa. Neither Franchisee nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(1) These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each of the Principals.

(2) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section X.B. from all Principals not signing the Principals' Guaranty and Assumption Agreement, from all General Managers, and, at Franchisor's request, or other personnel of Franchisee who have access to Confidential Information.

C. Noncompetition Covenants. The covenants in this Section X are made for the purchase and sale of a business or the assets of a business. In addition, Franchisee and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Franchisee and the Principals further acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Franchisee and the Principals covenant as follows:

(1) With respect to Franchisee, during the term of this Agreement (or with respect to each of the Principals, for so long as such person satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Woodhouse Spas operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Franchisee, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Woodhouse Spas operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) and which is, or is intended to be, located (i) at the Location, (ii) within the Protected Area, or (iii) within a six (6)-mile radius of the location of any Woodhouse Spa then in existence or under construction.

(3) The parties agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section X.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section X.C. The time periods relating to the obligations set forth in Section X.C.(2) will be tolled for any period of non-compliance.

(a) Franchisee and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section X.C. without their consent, effective immediately upon notice to Franchisee; and Franchisee and the Principals agree that they shall promptly comply with any covenant as so modified.

(b) Franchisee and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section X.C.

(4) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section X.C. from all Principals not signing the Principals' Guaranty and Assumption Agreement. Such covenants shall be in the form set forth in Attachment B. In addition, Franchisor shall require and obtain execution of confidentiality agreements, in the form set forth in Attachment B-1, from all General Managers and, at Franchisor's request, other personnel of Franchisee who have received or will have access to Confidential Information or training from Franchisor.

D. Injunctive Relief. Franchisee and the Principals acknowledge that any failure to comply with the requirements of this Section X. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Section X., without the requirement that Franchisor post a bond. Franchisee and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section X., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of such Section, or any part thereof.

E. New Developments. If Franchisee, its employees, or Principals develop any new concept, process or improvement in the operation or promotion of the franchised business, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Franchisee and its Principals hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and its Principals agree to assist

Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and its Principals hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section X.E. are found to be invalid or otherwise unenforceable, Franchisee and its Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

XI. BOOKS AND RECORDS

A. Maintenance Requirement. Franchisee shall maintain during the term of this Agreement, in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals, and shall preserve for at least five (5) years from the date of preparation, full, complete and accurate books, records and accounts of the Spa, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers.

B. Reporting. In addition to the remittance reports required by Sections IV. and VIII. hereof, Franchisee shall comply with the following reporting obligations:

(1) Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, Franchisee's monthly balance sheet and profit and loss statement (which may be unaudited) within twenty (20) days after the end of each month during the term hereof. Each such statement shall be signed by Franchisee's treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Franchisee shall, at its expense, submit to Franchisor, within ninety (90) days after the end of each fiscal year, Franchisee's complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to Franchisor and showing the results of Franchisee's operations of Franchisee during such fiscal year.

(3) Franchisee shall, at its expense, submit to Franchisor (i) copies of Franchisee's federal income tax returns (including any extension requests) not later than five (5) days after filing and (ii) copies of Franchisee's state sales tax returns within five (5) days after the end of each calendar quarter. If the Spa is in a state which does not impose a sales tax, Franchisee shall submit a copy of its state income tax return (including any extension requests) not later than five (5) days after filing.

(4) Franchisee also shall submit to Franchisor such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor.

C. Audits. Franchisor or its designees shall have the right at all reasonable times to review, audit, examine and copy the books and records of Franchisee at the Spa. If any required royalty or other required payments to Franchisor are delinquent, or if an audit should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount overdue or understated upon demand with interest determined in accordance with Section IV.C. If an audit discloses an understatement in any report of three percent (3%) or more, Franchisee shall, in addition, reimburse Franchisor for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

D. No Waiver. Franchisor's receipt or acceptance of any of the statements furnished or amounts paid to Franchisor (or the cashing of any check or processing of any electronic fund transfer) shall not preclude Franchisor from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, Franchisee shall immediately correct the error and make the appropriate payment to Franchisor.

E. Authorization to Release Information. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Spa which Franchisor may request. Franchisee authorizes Franchisor to disclose data from Franchisee's reports if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

XII. INSURANCE

A. Insurance Coverage Requirements. Not later than the earlier of (a) the date on which Franchisee uses any of the Marks, or (b) the date Franchisee begins construction of the Spa, Franchisee shall procure and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies of the types of insurance enumerated in the Manuals or otherwise in writing, whether the Spa is open or not, protecting Franchisee, Franchisor, its Affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Spa. Franchisor may periodically modify the types and amounts of coverage required to reflect changing risks, inflation or changes in law for which you will comply upon written notice or change to the Manual. Such policy or policies shall be written by a responsible carrier or carriers with an A.M. Best rating of not less than A-VII, unless Franchisor designates specific insurers from which Franchisee must purchase coverage and otherwise reasonably acceptable to Franchisor and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time in writing), the following:

(1) General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, of not less than One Million Dollars ($1,000,000) combined single limit per occurrence, Two Million Dollars ($2,000,000) general aggregate, Two Million Dollars ($2,000.000) product liability, One Million Dollars ($1,000,000) personal & advertising injury, Three Hundred Thousand Dollars ($300,000) fire legal liability, and Ten Thousand Dollars ($10,000) medical payment limits, or any greater amounts a landlord of the premises may require.

(2) Umbrella Liability of not less than $3,000,000 to be excess of commercial general liability.

(3) Property insurance with special form coverage on all assets including but not limited to buildout, furniture, fixtures, equipment, inventory and supplies used in the operation of your franchised business. Limits must be at 100% of the replacement cost of all business personal property or real property owned by the franchise. This policy must also include Business Income and Extra Expense coverage for not less than 50% of your gross sales or 12 months Actual Loss Sustained basis with extended period of indemnity of 180 days.

(4) Worker's compensation insurance and employer liability insurance with limits of no less than One Million Dollars ($1,000,000) bodily injury by accident for each accident, One Million

Dollars ($1,000,000) by disease policy limit, and One Million Dollars ($1,000,000) by disease each employee.

(5) Professional Liability Insurance to cover the errors and omission of your professional staff in the providing of services to your guests with not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate limit of liability and including Abuse and Molestation with a minimum limit of Three Hundred Thousand ($300,000).

(6) Employment Practices Liability including third party coverage for employment related claims and harassment and discrimination claims from non-employees for not less than One Million Dollars ($1,000,000) aggregate naming us as a co-defendant.

(7) Automobile Liability of not less than $1,000,000 combined single limit for all owned, non-owned and hired vehicles used in the franchised business.

(8) Cyber Liability of not less than $500,000 to cover any claims related to cyber breaches and expenses including identity theft, ransomware, notification costs and PCI fines and penalties.

(9) Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Spa is located.

B. Deductibles; Waiver of Subrogation. Franchisee may elect to have reasonable deductibles in connection with the coverage required under Sections XII.A(1)-(8) hereof. Such policies shall also include a waiver of subrogation in favor of Franchisor, its Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Spa, Franchisee shall maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Franchisor.

D. No Limitation of Other Obligations. Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section XV. of this Agreement.

E. Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation and employment practices liability, shall name Franchisor (The Woodhouse Spas, LLC), its Affiliates (including, without limitation, Radiance Holdings, LLC), and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds. All public liability and property damage policies shall contain a provision that Franchisor and its Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees. All required coverage will be primary and non-contributory to any insurance Franchisor might carry.

F. Certificates of Insurance. Upon signing a lease for the Spa, thirty (30) days prior to the expiration of any policy required hereunder, and at any time we request, Franchisee shall deliver to Franchisor certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies.

G. Remedies. Should Franchisee fail to procure or maintain the insurance required by this Agreement, Franchisor shall have the right and authority (without, however, any duty or obligation to do so) to procure such insurance and to charge the cost of such insurance to Franchisee, together with a reasonable fee for Franchisor's expenses in so acting. Such amounts shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

XIII. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee shall promptly pay when due all Taxes, levied or assessed and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the franchised business. Without limiting the provisions of Section XV., Franchisee shall be solely liable for the payment of all Taxes and shall indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to Franchisor hereunder shall be made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any bona fide dispute as to Franchisee's liability for Taxes or other indebtedness, Franchisee may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. Franchisee recognizes that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by Franchisee in good faith, Franchisee agrees to promptly pay when due all amounts owed by Franchisee to Franchisor, its Affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

XIV. TRANSFER

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Franchisee and Principals. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of Franchisee and the Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assign of Franchisee or any Principal, shall sell, assign, transfer, convey, merge, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Spa or in Franchisee, whether or not such sale, assignment, transfer, conveyance, merger, gift, pledge, mortgage, disposition, or encumbrance constitutes a transfer or assignment under applicable law, without the prior written consent of Franchisor, except as provided in Section XIV.D. Any purported assignment or transfer,

by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach under this Agreement. If Franchisee wishes to transfer all or part of its interest in the Spa or this Agreement, or if Franchisee or a Principal wishes to transfer any ownership interest in Franchisee (except as provided in Section XIV.D. below), transferor and the proposed transferee shall apply to Franchisor for its express written consent, which Franchisor may grant or deny at its sole option. Any Transfer without Franchisor's consent constitutes a material breach of this Agreement and is void and of no effect. Franchisor may require any or all of the following as conditions of its consent:

(1) All accrued monetary obligations of Franchisee and its Affiliates to Franchisor and its Affiliates arising under this Agreement, or any other agreement, shall have been satisfied in a timely manner, and Franchisee shall have satisfied all trade accounts and other debts of whatever nature or kind;

(2) Franchisee and its Affiliates shall not be in default of this Agreement, or any other agreement with Franchisor or its Affiliates, and shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its principals, if applicable, shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims, against Franchisor, its Affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with Franchisor or its Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualifications, and, at the transferee's expense, its Operating Principal, General Manager, and any other personnel required by Franchisor shall complete any training programs then in effect for Woodhouse Spas upon such terms and conditions as Franchisor may reasonably require;

(5) The transferee shall, at its expense and within the time period reasonably required by Franchisor, renovate, modernize and otherwise upgrade the Spa to conform to the then-current System image, standards and specifications;

(6) The transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Franchisee under this Agreement. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(7) The transferee shall execute Franchisor's then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(8) The transferor shall remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(9) Franchisee (a) shall pay Franchisor a transfer fee of (i) Ten Thousand Dollars ($10,000) if the transferee is an existing franchisee of Franchisor or (ii) Fifteen Thousand Dollars ($15,000) if the transferee is not an existing franchisee of Franchisor, and (b) shall reimburse Franchisor for its

reasonable costs and expenses associated with the transfer, including, without limitation, training costs and legal and accounting fees and costs;

(10) If transferee is a corporation, partnership, limited liability company, or other entity, the transferee shall make all of the representations, warranties and covenants in Section VI. as Franchisor may request, and shall provide evidence satisfactory to Franchisor that such representations, warranties and covenants are true and correct as of the date of the transfer.

(11) If the transfer relates to the grant a security interest in any of Franchisee's assets, Franchisor may require the secured party to agree that, in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section XIV.B., except that Sections XIV.B.(3), (4), (5), (7) and (9) shall not apply. In any transfer for the convenience of ownership, Franchisee shall be the owner of all the voting stock or ownership interests in the new entity, or, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in Franchisee prior to the transfer.

D. Transfer of Non-Controlling Interest. If any person holding an interest in Franchisee (other than a Principal signing the Principals' Guaranty and Assumption Agreement and other than a Controlling Interest) proposes to transfer such interest, then Franchisee shall promptly notify Franchisor of such proposed transfer in writing and shall provide such information relative thereto as Franchisor may reasonably request prior to the transfer. The transferee shall not be one of Franchisor's competitors and may be required to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by Franchisor, which form shall be in substantially the same as the form attached to this Agreement as Attachment B. Franchisor reserves the right to require such transferee to sign the Principals' Guaranty and Assumption Agreement.

E. Right of First Refusal. If Franchisee or a Principal wishes to transfer any interest in this Agreement, the Spa, or Franchisee, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of the offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third-party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Franchisee to Franchisor or any of its Affiliates. A material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Franchisor's failure to exercise the option afforded by this Section XIV.E. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XIV.B. Failure to comply with this Section XIV.E. shall constitute a material event of default under this Agreement.

F. Death or Permanent Disability. Franchisee or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section XIV.F. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section XIV.B. for any inter vivos transfer.

(1) Upon the death of Franchisee (if Franchisee is a natural person) or any Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

(2) Upon the permanent disability of Franchisee (if Franchisee is a natural person) or any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section XIV. within six (6) months after notice to Franchisee. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section XIV.F. The costs of any examination required by this Section shall be paid by Franchisor.

G. Securities Offerings. Interests in Franchisee shall not be offered to the public by private or public offering without Franchisor's prior written consent, which shall not be unreasonably withheld. As a condition of its consent, Franchisor may, in its sole discretion, require that, immediately after such offering, Franchisee and the Principals retain a Controlling Interest in Franchisee. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the commencement of any offering covered by this Section XIV.G. All offering materials shall be submitted to Franchisor for review prior to being filed with any governmental agency or distributed for use. Franchisor's review of the offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No offering shall imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship of Franchisee and Franchisor. Franchisee, its Principals and the other participants in the offering must fully indemnify Franchisor, its Affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of Three Thousand Dollars ($3,000) and shall reimburse Franchisor for its reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

H. No Waiver. Franchisor's consent to the transfer of any interest described in this Section XIV. shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand transferee's exact compliance with any of the terms of this Agreement.

XV. INDEMNIFICATION

A. Indemnity. Franchisee and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its Affiliates, successors and assigns and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors,

servants and employees of each of them ("Indemnitees"), from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which a license has been granted hereunder and such use has been in accordance with this Agreement;

(2) The violation, breach or asserted violation or breach by Franchisee or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

(3) Libel, slander or any other form of defamation of Franchisor, the System or any franchisee or developer operating under the System, by Franchisee or by any of the Principals;

(4) The violation or breach by Franchisee or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement with Franchisor or any of its Affiliates; and

(5) Acts, errors, or omissions of Franchisee, any of Franchisee's Affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors servants and employees of any of them in connection with the establishment and operation of the Spa including, but not limited to, Franchisee's employer/employee relationships and any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle.

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

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

(1) any of the acts or circumstances enumerated in Section XV.A(1)-(4) above has occurred; or

(2) any act, error, or omission as described in Section XV.A(5) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Section XV. shall be chargeable to and paid by Franchisee or any of the Principals pursuant to its obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity, or defense.

(2) As used in this Section XV., the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs,

expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the matters described.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Franchisee or the Principals may contract, regardless of the purpose. Franchisee and the Principals shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be gross, sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith, including, without limitation, the other Indemnitees.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against Franchisee, and the failure of Franchisor to pursue such recovery or mitigate such loss will no way reduce the amounts recoverable by Franchisor from Franchisee. Franchisee and the Principals expressly agree that the terms of this Section XV. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

XVI. RELATIONSHIP OF THE PARTIES

A. Independent Contractor Relationship. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor conducting its Spa operations pursuant to the rights granted by Franchisor. Further, all employees hired by or working for Franchisee or its Affiliates will be Franchisee's or Franchisee's Affiliates' employees and will not, for any purpose, be deemed employees of Franchisor or its Affiliates or subject to Franchisor's or its Affilates' control. Franchisor has no authority to hire, fire, promote, or demote any of Franchisee's employees or take any disciplinary action whatsoever against any of them. Additionally, Franchisee must communicate to all employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or Franchisor's name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

B. No Authority. Nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Principals or any claim or judgment arising therefrom.

XVII. TERMINATION

A. Default and Termination. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

B. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall

become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or if an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within 60 days after it is filed; or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Spa premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of Franchisee's Spa shall be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

(1) If Franchisee operates the Spa or sells any products or services authorized by Franchisor for sale at the Spa at a location other than the Location.

(2) If Franchisee fails to obtain Franchisor's approval of a proposed site or fails to acquire a Location for the Spa within the time and manner specified in the Development Agreement or Site Addendum hereto, as applicable

(3) If Franchisee fails to construct the Spa in accordance Franchisor's prototypical plans, as adapted in accordance with Section II or Site Addendum hereto, as applicable.

(4) If Franchisee fails to open the Spa for business within the period specified in Section II.D. of this Agreement.

(5) If Franchisee at any time ceases to operate or otherwise abandons the Spa , or loses the right to possess the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Spa is located; provided, that this provision shall not apply in the event of a Force Majeure, if Franchisee applies within thirty (30) days after such event for Franchisor's approval to relocate or reconstruct the Spa and Franchisee diligently pursues such reconstruction or relocation. Franchisor's approval not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to Franchisor during the period in which the Spa is not in operation.

(6) If Franchisee or any of the Principals is convicted of, or has entered a plea of nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein.

(7) If a threat or danger to public health or safety results from the construction or operation of the Spa.

(8) If Franchisee or any of the Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Spa to any third party without Franchisor's prior written consent or without offering Franchisor a right of first refusal contrary to the terms of Section XIV., or if a transfer upon death or permanent disability is not made in accordance with Section XIV.

(9) If, contrary to the terms of Section X.B., Franchisee or any of the Principals discloses or divulges any Confidential Information.

(10) If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor.

(11) If Franchisee breaches in any material respect any of the covenants, or has falsely made any of the representations or warranties, set forth in Section VI.

(12) If Franchisee fails to comply with Franchisor's quality assurance program and fails to cure any default thereunder within the applicable cure period.

(13) If Franchisee or any Affiliate of Franchisee is in default of any other franchise agreement with Franchisor and fails to cure such default within the applicable cure period, if any.

(14) If Franchisee or any of the Principals repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

D. Termination on Notice; Opportunity to Cure. Except as provided in Sections XVII.B. and XVII.C. of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If any such default is not cured within the cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If Franchisee fails to procure and maintain the insurance policies required by Section XII. and fails to cure such default within seven (7) days following notice from Franchisor.

(2) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor.

(3) If Franchisee fails to obtain the execution of the confidentiality and related covenants as required under Sections X.B. or X.C. of this Agreement within ten (10) days after being requested to do so by Franchisor and fails to cure such default within thirty (30) days following notice from Franchisor.

(4) If Franchisee or any of its Affiliates fails, refuses, or neglects promptly to pay any monies owed to Franchisor or any of its Affiliates, when due under this Agreement or any other agreement, or fails to submit the financial or other information required by Franchisor under this Agreement, and does not cure such default within five (5) days following notice from Franchisor.

(5) If Franchisee or any of the Principals fails to comply with the restrictions against competition set forth in Section X.C. of this Agreement and fails to cure such default within ten (10) days following notice from Franchisor.

(6) If Franchisee fails to maintain or observe any of the standards, specifications or procedures prescribed by Franchisor in this Agreement or otherwise in writing, and fails to cure such default within thirty (30) days following notice from Franchisor.

(7) If Franchisee fails to comply with any other requirement imposed by this Agreement or the Site Addendum, or fails to carry out the terms of this Agreement in good faith and fails to cure such default within thirty (30) days following notice from Franchisor.

(8) If Franchisee fails to designate a qualified replacement Operating Principal or General Manager within thirty (30) days after any initial or successor Operating Principal or General Manager ceases to serve.

XVIII. POST-TERMINATION

A. Franchisee's Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and Franchisee shall:

(1) Immediately cease to operate the Spa under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(2) Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System and the Marks. Without limitation of the foregoing, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the marks "Woodhouse Day Spa," "Woodhouse," or "Woodhouse Spa," or any other Mark, and furnish Franchisor with satisfactory evidence of compliance within five (5) days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks, in connection with any other business, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, nor shall Franchisee use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

(5) Promptly pay (a) all sums owing to Franchisor and its Affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor as a result of any default by Franchisee or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section XVIII., which obligation shall give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee, until such obligations are paid in full; (b) to Franchisor an amount equal to fifty percent (50%) of the total outstanding balance of all coupons, gift cards, gift certificates and vouchers issued by the Spa as of the date of termination or expiration, as applicable; and (c) liquidated damages to Franchisor as set forth below, if applicable. If this Agreement is terminated for any reason prior to the expiration of this Agreement (including, without limitation, if Franchisee fails to timely open the Spa for business or at any time ceases to operate or otherwise abandons the Spa), Franchisee will, within thirty (30) days following the effective date of such termination, pay Franchisor in a single lump sum payment, as liquidated damages and not as a penalty, as follows: (i) where there are less than two (2) years remaining in this Agreement's then-current term (i.e., the initial term under Section III.A. or the renewal term under Section III.B.), the average royalty fee paid by Franchisee during the previous two (2) years of operation of the Spa multiplied by the number of weeks remaining in this Agreement's then-current term; (ii) where there are two (2) or more years remaining in this Agreement's then-current term and the Spa has operated for at least two (2) years, the average royalty fee paid by Franchisee during the previous two (2) years of operation of the Spa multiplied by one hundred and four (104) weeks; and (iii) where there are two (2) or more years remaining in this Agreement's then-current term and the Spa has not opened or has operated for less than two (2) years, the average royalty fee paid by franchisees for the month that termination of this Agreement is effective multiplied by one hundred and four (104) weeks. Franchisee acknowledges and agrees that the actual damages Franchisor would sustain in the event of any early termination of this Agreement would be difficult to calculate or ascertain, the liquidated damages provided for in this Section XVIII.A.(5) are a fair and reasonable approximation of the amount of damages Franchisor would sustain and are not a penalty. Payment to Franchisor of such liquidated damages will not constitute an

election of remedies by Franchisor or excuse performance of Franchisee's post-termination obligations hereunder. Any payments received will be in addition to and not in lieu of any other remedies available to Franchisor at law or in equity.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Spa in Franchisee's possession or control, and all copies thereof, all of which are acknowledged to be Franchisor's property, and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Section X. of this Agreement and cause any other person required to execute similar covenants pursuant to Section X. also to comply with such covenants.

(8) Promptly furnish to Franchisor an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Spa or at any other location under Franchisee's control. Franchisor shall have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at Franchisee's cost. Materials not purchased by Franchisor shall not be utilized by Franchisee or any other party for any purpose unless authorized in writing by Franchisor.

(9) At Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the premises of the Spa or for any equipment used in the operation of the franchised business. Franchisor may exercise such option at or within thirty (30) days after the termination or expiration of this Agreement. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of Franchisee's interest in any such lease or sublease upon the exercise of Franchisor's option described herein. This power of attorney shall survive the expiration or termination of this Agreement. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Spa premises, Franchisee shall make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Spa from that of other Woodhouse Spas, and, if Franchisee fails or refuses to do so, Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at Franchisee's expense.

(10) At Franchisor's option, assign to Franchisor all rights to the telephone numbers of the Spa and any related business listings and execute all forms and documents required by Franchisor and any telephone company at any time to transfer such service and numbers to Franchisor. Franchisee shall thereafter use different telephone numbers at or in connection with any subsequent business conducted by Franchisee.

B. Additional Franchisor Options. In addition to its options under Sections XVIII.A.(9) and (10), Franchisor shall have the following options, to be exercised within thirty (30) days after termination or expiration of this Agreement:

(1) Franchisor shall have the option to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Spa, at fair market value. In addition, if Franchisee owns the land upon which the Spa is located, Franchisor shall have the further option to purchase the land, including any building on the land used for the operation of the Spa, for the fair market value of the land and building. If Franchisee does not own the land, Franchisor may nevertheless exercise this option for the purpose of purchasing any building owned by Franchisee and used in the operation of the Spa.

(2) With respect to Franchisor's options under Section XVIII.B.(1), Franchisor shall purchase assets only and shall assume no liabilities, unless otherwise agreed in writing by the parties. If the

parties cannot agree on the fair market value of the assets within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by three (3) appraisers. Each party shall select one (1) appraiser, and those two (2) appraisers shall select a third appraiser. The average of the determinations of the three (3) appraisers shall be binding. In the event of an appraisal, each party shall bear its own legal and other costs and shall divide the appraisal fees equally. The purchase price shall be paid in cash; provided, that Franchisor shall have the right to set off from the purchase price (i) all fees due from Franchisee for any appraisal conducted hereunder, (ii) all amounts due from Franchisee to Franchisor or any of its Affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs).

(3) Closing of the purchase and sale of the properties described above shall occur not later than thirty (30) days after the purchase price is determined, unless the parties mutually agree to designate another date. At closing, Franchisee shall deliver to Franchisor, in a form satisfactory to Franchisor, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the properties being purchased and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all necessary documents, instruments, or third party consents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents. Closing shall take place at Franchisor's corporate offices or at such other location as the parties may agree.

C. Assignment of Franchisor Rights. Franchisor shall be entitled to assign any and all of its options in this Section XVIII. to any other party, without the consent of Franchisee.

XIX. MISCELLANEOUS

A. Notices. The parties agree that any notice required or permitted to be given under this Agreement, except for notices of default, non-renewal, or termination, may be delivered to Franchisee via email. Any and all other notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service (E.g., FedEx or UPS) or certified or registered mail, return receipt requested, first-class postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:
The Woodhouse SPAS, LLC
300 Union Boulevard, Suite 600
Lakewood, Colorado 80228
Attention: Chief Executive Officer

Notices to Franchisee and the Principals:
_____
_____
_____
_____
Attention: _____
Telephone: _____
Email: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above), and, in the case of electronic mail, upon transmission.

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee and the Principals concerning the subject matter hereof and shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section XVII.C.(5), Franchisee shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Franchisee in accordance with Section XV. Except as provided in Section XVII.C.(5) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

G. MEDIATION. EXCEPT FOR ACTIONS WHICH THE FRANCHISOR MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS OR THE CONFIDENTIAL INFORMATION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF ITS

AFFILIATES AND FRANCHISEE (AND FRANCHISEE'S AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE OR THEIR RESPECTIVE AFFILIATES, (b) FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR OR FRANCHISEE OR THEIR RESPECTIVE AFFILIATES, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISOR AND FRANCHISEES, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES AND COSTS INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION XIX.H.

H. <u>JURISDICTION AND VENUE</u>. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, FRANCHISEE AND THE PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. FRANCHISEE AND THE PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION. THE PARTIES AGREE ANY ACTIONS RELATED TO A DISPUTE WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON, CONSOLIDATED, OR CLASS ACTION. FRANCHISEE AGREES NOT TO JOIN OR ATTEMPT TO JOIN OTHER FRANCHISEES OR OTHER THIRD PARTIES IN ANY LITIGATION OR ARBITRATION PROCEEDING AND TO REFRAIN FROM JOINING OR PARTICIPATING IN ANY "CLASS ACTION" LITIGATION OR ARBITRATION PROPOSED OR ASSERTED BY ONE OR MORE OTHER FRANCHISEES.

I. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER COLORADO LAW (EXCEPT FOR COLORADO CONFLICT OF LAW RULES).

J. MUTUAL ACKNOWLEDGMENTS. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT. IN ADDITION, THE PARTIES ACKNOWLEDGE THAT THE EXECUTION OF THIS AGREEMENT AND ACCEPTANCE OF THE TERMS BY THE PARTIES OCCURRED IN LAKEWOOD, COLORADO, AND FURTHER ACKNOWLEDGE THAT THE PERFORMANCE OF CERTAIN OBLIGATIONS OF FRANCHISEE ARISING UNDER THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE PAYMENT OF MONIES DUE HEREUNDER AND THE SATISFACTION OF CERTAIN TRAINING REQUIREMENTS OF FRANCHISOR, SHALL OCCUR IN LAKEWOOD, COLORADO.

K. DAMAGES WAIVER. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

L. JURY WAIVER. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

M. BUSINESS JUDGMENT. FRANCHISEE, THE PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR

ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

N. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY FRANCHISEE OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) FRANCHISEE'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, OR (iii) FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION XV., ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

O. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

P. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

Q. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections XIX.G., H. and I. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

R. Gender. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Franchisee in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

S. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its Affiliates, and Franchisor or any of its Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, termination, or exercise of Franchisor's rights pursuant to Section XVII. of this Agreement shall not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the termination, or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

T. No Third-Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section XIV.), any rights or remedies under or as a result of this Agreement.

U. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

V. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

XX. FRANCHISEE'S ACKNOWLEDGMENTS

A. Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business venture contemplated by this Agreement and recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Franchisee.

B. FTC Rule Compliance. Franchisee acknowledges that it received a complete copy of Franchisor's disclosure document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law.

C. No Reliance. Franchisee is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement. For the avoidance of doubt, Franchisor will be solely responsible for its obligations under this Agreement, and none of Franchisor's affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

XXI. CERTAIN DEFINITIONS

A. "Advertising Fund" or "Fund" means the advertising fund described in Section VIII.E. of this Agreement.

B. An "Affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

C. "Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

D. "Confidential Information" means any confidential information, knowledge or know-how concerning the methods of establishing and operating the Woodhouse Spa which may be communicated to Franchisee or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

E. "Cooperative" means an advertising cooperative, as described in Section VIII.D. of this Agreement.

F. "Controlling Interest" means (a) if Franchisee is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Franchisee's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to

take under this Agreement, or (b) if Franchisee is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner 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 this Agreement.

G. "Development Agreement" means the agreement between Franchisee or one of its Affiliates, as "Developer," and Franchisor under which the Developer has the right and obligation to develop a designated number of Woodhouse Spas within the time period and geographic area specified in the agreement, under franchise agreements with Franchisor, and includes all exhibits, schedules, attachments, and addenda thereto.

H. "General Manager" means a qualified individual who meets the requirements in Section VI.E. of this Agreement but who is not required to own an interest in Franchisee, designated by Franchisee and approved by Franchisor to supervise the operations of Franchisee's Woodhouse Spas.

I. "Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, fire or other catastrophe or other forces beyond Franchisee's control.

J. "Gross Sales" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Spa, including, without limitation, income from the sale of products and services over the Internet, whether for cash or credit and regardless of collection in the case of credit, but expressly excluding the following:

(1) Receipts from the operation of any public telephone or vending machines installed in the Spa, except for any amount representing Franchisee's share of such revenues;

(2) Sums representing sales taxes collected directly from customers, based upon present or future laws of federal, state or local governments, collected by Franchisee in the operation of the Spa, and any other tax, excise or duty which is levied or assessed against Franchisee by any federal, state, municipal or local authority, based on sales of specific merchandise sold at or from the Spa, provided that such taxes are actually transmitted to the appropriate taxing authority;

(3) Tips or gratuities paid directly by Spa customers to employees of Franchisee or paid to Franchisee and then turned over to such employees by Franchisee in lieu of direct tips or gratuities;

(4) Returns to shippers or manufacturers; and

(5) Proceeds from isolated sales of trade fixtures not constituting any part of Franchisee's products and services offered for resale at the Spa or having any material effect upon the ongoing operation of the Spa required under this Agreement.

Franchisor may, from time to time, authorize certain other items to be excluded from Gross Sales. Any such permission may be revoked or withdrawn at any time in writing by Franchisor in its discretion. The following are included within the definition of "Gross Sales" described except as noted below:

(a) The full value of spa products or services furnished to Franchisee's employees as an incident to their employment, except that the value of any discounts extended to such employees may be credited against Gross Sales during the week in which the products or services were furnished for the purpose of determining the amount of Gross Sales upon which the royalty fee is due; and

(b) All proceeds from the sale of coupons, gift cards, gift certificates or vouchers, including amounts paid directly to Franchisee by third party marketing companies (e.g., Groupon) for similar payment devices; provided, that at the time such coupons, gift cards, gift certificates or vouchers are redeemed the retail price for the services provided in exchange for such coupons, gift cards, gift

certificates or vouchers shall not be included in Gross Sales. If sales proceeds are not recorded and reported for royalty purposes at the time the coupon, gift card, gift certificate or voucher is sold, or if such coupons, gift cards, gift certificates or vouchers are distributed free of charge, the retail price for the services provided in exchange for such coupons, gift cards, gift certificates or vouchers shall be included in Gross Sales.

K. "Gross Sales Report" means the report due on or before each Monday during the term of this Agreement, itemizing, in the form and manner Franchisor reasonably requires (including electronic form), the Gross Sales of the Spa for the preceding week (Monday through Sunday).

L. "Internet" means a global computer-based communications network.

M. "Intranet" means a restricted global computer-based communications network.

N. "Local Advertising Expenditures" means the amount Franchisee must spend for local advertising pursuant to Section VIII.C. of this Agreement.

O. "Manuals" means Franchisor's Confidential Operations Manuals, written directives and any other manuals and written materials as Franchisor shall have developed for use in the System, as revised by Franchisor from time to time.

P. "National Advertising Assessment" means the amount Franchisee must contribute to the Advertising Fund for advertising pursuant to Section VIII.B. of this Agreement.

Q. "Opening Date" means the date the Spa opens for business to the public.

R. "Principals" shall include, collectively and individually, all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee's Principals and all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

S. "Protected Area" means the geographic area assigned to Franchisee upon the acquisition of the site where the Spa will be located, which will be described in an amended Attachment C at such time, within which Franchisee will be afforded the protections described in Section I.B. of this Agreement.

T. "Publicly-held Corporation" is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

U. "Spa," "Woodhouse Spa," or "Woodhouse Day Spa" means the business operated by Franchisee at the Location pursuant to this Agreement, including all assets of Franchisee used in connection therewith.

V. "Software Programs" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by Woodhouse Spas.

W. "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

{Signatures appear on the following page.}

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

The Woodhouse SPAS, LLC,
a Texas limited liability company

By: _____
Name: _____
Authorized Signatory
Date: _____

FRANCHISEE:

If Entity:

_____
Printed Entity Name

By: _____

Name: _____
Title: _____
Date: _____

If an Individual:

_____
Signature

By: _____
Printed Name: _____
Date: _____

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Principals' Guaranty and Assumption Agreement ("Guaranty") is given this _____, by the undersigned.

In consideration of, and as an inducement to, the execution of the Franchise Agreement ("Agreement") by The Woodhouse SPAS, LLC ("Franchisor"), each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "Guarantor" and collectively, "Guarantors") hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually pay its obligations for initial franchise fees, royalties, advertising fund contributions and purchases of equipment, materials, supplies and other amounts due under the Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections VI., X., XIV., XV., XVIII., XIX.G., H., I., K, L, and N.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

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

GUARANTORS

By: _____
*Name: _____
Date: _____

By: _____
Name: _____
Date: _____

By: _____
Name: _____
Date: _____

*Denotes individual who is Franchisee's Operating Principal

ATTACHMENT B

CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into this _____, between The Woodhouse SPAS, LLC, a Texas limited liability company ("Franchisor"), _____ ("Franchisee") and _____ ("Covenantor") in connection with a franchise agreement between Franchisor and Franchisee dated _____ ("Franchise Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Franchise Agreement.

RECITALS

Franchisor has the right to use and license the use of a system ("System") for the establishment and operation of Woodhouse Spas.

The System is identified by certain trademarks ("Marks") including the marks "Woodhouse Day Spa," "Woodhouse," and "Woodhouse Spa," and includes certain Confidential Information (defined below) which provides economic advantages to Franchisor and licensed users of the System. "Confidential Information" means any confidential information, knowledge, or know-how concerning the methods of establishing and operating the Woodhouse Spa which may be communicated to Franchisee, Covenant, or any of the Principals or of which they may be apprised under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement or the Franchise Agreement shall be deemed confidential for the purposes of this Agreement and the Franchise Agreement.

Franchisor has granted Franchisee the right to operate a Woodhouse Spa pursuant to the Franchise Agreement.

Covenantor is a Principal of Franchisee.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that the covenants set forth in this Agreement are given for the purchase and sale of a business or the assets of a business. Covenantor further acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Woodhouse Spa under the Franchise Agreement. For the avoidance of doubt, nothing in this Agreement limits the ability of Covenantor to disclose or discuss, either orally or in writing, any alleged discriminatory or unfair employment practice.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the operation of the Spa.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. Covenantor acknowledges that all Manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

This covenant not to compete is given for the purchase and sale of a business or the assets of a business and in order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with Franchisee, and for a period of two (2) years following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Franchisee's interest in the Franchise Agreement, Covenantor will not, without Franchisor's prior written consent or as permitted under valid Franchise Agreements for Woodhouse Spas:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the Spa to any competitor; and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or similar to a Woodhouse Spa (including, without limitation, a spa business or a business which offers massages, facials, nail treatments, or other spa treatments) and which is, or is intended to be, located within the Territory or within a six (6)-mile radius of any Woodhouse Spa then in existence or under construction.

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement]

Principal's Undertaking

As a Principal of Franchisee, Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections X.B., C., D., and E., XIV., and XIX.G., H. I., K, L, and N of the Franchise Agreement and is obligated to perform thereunder.

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The time periods relating to the obligations set forth in this Agreement will be tolled for any period of non-compliance.

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

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, WITHOUT REFERENCE TO COLORADO CONFLICT OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM OR HER IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY COLORADO OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

The Woodhouse SPAS, LLC
300 Union Boulevard, Suite 600
Lakewood, Colorado 80228
Attention: Chief Executive Officer

If directed to Franchisee, the notice shall be addressed to:

_____

_____

Attention: _____

Telephone: _____

Email: _____

If directed to Covenantor, the notice shall be addressed to:

_____

_____

Attention: _____

Telephone: _____

Email: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing (provided confirmation is sent by expedited delivery service or registered or certified mail), and, in the case of electronic mail, upon transmission.

8. Franchisor and its successors and assigns are intended third-party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective Affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor without the prior written consent of Franchisor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

The Woodhouse SPAS, LLC,
a Texas limited liability company

By:_____
Name: _____
Authorized Signatory
Date:_____

FRANCHISEE:

By: _____

Name: _____
Title:_____
Date:_____

COVENANTOR:

By:_____
Name: _____
Date:_____

ATTACHMENT B-1

CONFIDENTIALITY AGREEMENT

_____ ("Franchisee"), on behalf of itself and The Woodhouse SPAS, LLC, LLC, a Texas limited liability company ("Franchisor"), with offices at 300 Union Blvd., Ste 600, Lakewood, CO 80228, and _____, an individual having an address at_____ ("Employee"), hereby enter into this Confidentiality Agreement ("Agreement"), effective as of this _____ _____ ("Effective Date"). Franchisee and Employee are sometimes referred to individually as a "Party" and collectively as the "Parties."

FOR AND IN CONSIDERATION of the foregoing Recitals, the promises set forth in this Agreement, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Franchisee operates a Woodhouse Spa franchised business ("Business") under the "Woodhouse Spa" brand pursuant a Franchise Agreement with Franchisor. Pursuant to the Franchise Agreement, Franchisor has authorized Franchisee to access and use Franchisor's Confidential Information (defined below) in connection with the Business. Franchisor and Franchisee have agreed on the importance of restricting the use, access, and dissemination of Confidential Information. Franchisee has undertaken certain obligations to Franchisor to protect the Confidential Information. For their mutual benefit, Franchisee and Employee desire for Employee to receive access to Franchisor's Confidential Information, including confidential training, for the purpose of serving as an employee of Franchisee's Business (the "Purpose"). Employee acknowledges that receipt of and access to the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by Employee in this Agreement.

2. As used in this Agreement, "Confidential Information" means all methods for establishing, operating and promoting the Business pursuant to the Franchisor's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks, non-public information, know-how, marketing materials, business strategies, and financial information, reports, plans, and data of Franchisor and such other information as may be further developed periodically by Franchisor in connection with the operation of the Business. Confidential Information may be in any form or medium, tangible or intangible, and may be communicated in writing, orally, or through visual observation.

3. Franchisee and Employee acknowledge and agree that all Confidential Information is and will remain the sole property and a trade secret of Franchisor. The Parties further acknowledge and agree that the Confidential Information, constituting trade secrets of Franchisor, includes, without limitation, supplier information, product components, lists of and information regarding actual and prospective customers of any Business or Woodhouse Spa, and any and all information contained in the Franchisor's Manuals (as defined in the Franchise Agreement), which may be provided as one or more separate print or electronic manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature that gives Franchisor an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, or information. Franchisee and Employee acknowledge that Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information. By disclosing Franchisor's Confidential Information or executing this Agreement, Franchisee does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, trade secret, or any other intellectual property right to Employee.

4. Employee will use Confidential Information solely for the Purpose; will not use the Confidential Information, directly or indirectly, for the benefit of itself or any third party (except for Franchisor); will not disclose, publish, divulge, or otherwise communicate in any manner such Confidential Information to any third party without Franchisor's express written consent; and will reproduce Confidential Information only to the extent essential to fulfilling the Purpose. For the avoidance of doubt, nothing in this Agreement limits the ability of Employee to disclose or discuss, either orally or in writing, any alleged discriminatory or unfair employment practice.

5. Employee will notify Franchisee immediately upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Agreement by Employee or any representative of Employee, and will cooperate with Franchisee in every reasonable way to help Franchisee regain possession of its Confidential Information and prevent its further unauthorized use or disclosure.

6. The covenants of confidentiality set forth in this Agreement will apply after the Effective Date to all Confidential Information disclosed to Employee before and after the Effective Date.

7. Upon Franchisee's request, Employee will either return to Franchisee all Confidential Information or, at Franchisee's sole option, will certify to Franchisee that all media containing Confidential Information have been destroyed.

8. The foregoing restrictions on Employee's use or disclosure of Confidential Information will not apply to Confidential Information that Employee can demonstrate: (a) has become generally available to the public through no wrongful act or breach of confidentiality obligations by the Employee; (b) was in the Employee's possession without restriction or was known by the Employee without restriction at the time of disclosure; or (c) is required by a court order to be disclosed; provided, however, that the Employee has given Franchisee prompt notice of such demand for disclosure, has taken reasonable steps to enable Franchisee to seek to protect the confidentiality of the Confidential Information required to be disclosed and will disclose only that part of the Confidential Information which, in the written opinion of its legal counsel, it is required to disclose.

9. In case of Employee's unauthorized use or disclosure of Confidential Information, Employee acknowledges that Franchisee will be entitled to liquidated damages in the amount of Five Thousand Dollars ($5,000) (a pre-calculated estimate) for each instance of unauthorized use or disclosure of Confidential Information. Notwithstanding the right to liquidated damages, Franchisee has the right to take any measures available for relief and to claim and receive a higher amount of compensation if Franchisee or Franchisor can prove that the actual damages sustained will exceed the amount of liquidated damages.

10. Notwithstanding the foregoing monetary payment, Employee acknowledges that money damages alone would be an inadequate remedy for the injuries and damages that would be suffered and incurred by Franchisee or Franchisor as a result of Employee's breach of this Agreement. Therefore, Employee agrees that if Employee violates or threatens to violate this Agreement, Franchisee, in addition to any other remedies it may have at law, will be entitled to a restraining order, injunction, or other similar remedy in order to enforce the provisions of this Agreement. In the event Franchisee should seek an injunction or other extraordinary relief, Employee hereby waives any requirement for the submission of proof of the economic value of any Confidential Information or the posting of a bond or any other security. Employee will bear all costs and expenses, including attorneys' fees and costs, incurred by Franchisee in enforcing the provisions of this Agreement.

11. Franchisee's failure to enforce any provision, right, or remedy under this Agreement will not constitute a waiver of such provision, right, or remedy.

12. This Agreement and performance hereunder will be governed, construed, and enforced under Colorado law, without giving effect to any conflicts of law. The Parties agree that any action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief will be filed exclusively in the United States District Court for the District of Colorado or the District Court for Jefferson County, Colorado; provided, at is sole option, Franchisee may bring an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief in the state or federal court encompassing Employee's residence. The Parties agree that personal jurisdiction and venue will be proper in such court(s). If any Party initiates an action to enforce the terms of this Agreement or to recover damages caused by its breach or other relief, the prevailing party in such action will be entitled to recover, in addition to any relief to which it is deemed entitled, its costs and expenses, including reasonable attorneys' fees, incurred in connection with such action. The Parties hereby knowingly and voluntarily waive any and all rights to trial by jury.

13. Franchisee and Employee each acknowledge and agree that neither Franchisee nor Employee is an employee or joint employee of Franchisor.

14. This Agreement is and will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, representatives, successors, and assigns.

15. The Parties intend for the provisions of this Agreement to be enforced to the fullest extent permitted by applicable law. If any provision or part of this Agreement, or any application of this Agreement, is determined to be invalid, void, unenforceable, or contrary to law, the remainder of the Agreement will remain in full force and effect.

16. This Agreement constitutes the entire agreement of the Parties with respect to the Parties' respective obligations in connection with Confidential Information disclosed hereunder and supersedes all prior oral and written agreements and discussions with respect thereto. Each Party intends that a copy of or electronic version of its signature be regarded as an original signature and that this Agreement can be executed in counterparts. The Parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives. Employee will not assign this Agreement without first securing Franchisee's written consent.

17. Franchisor is an intended third-party beneficiary of this Agreement, entitled to all rights of Franchisee, with the full and independent right to enforce all terms of this Agreement.

IN WITNESS WHEREOF, Franchisee and Employee have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

FRANCHISEE:

By:_____
Name:_____
Title:_____

EMPLOYEE:

By:_____
Employee Name:_____
Date:_____

ATTACHMENT C

SELECTED TERMS:
LOCATION AND PROTECTED AREA

1. LOCATION: The Spa shall be located at the following address to be located within the Designated Area defined in the Site Selection and Acquisition Addendum:

_____

2. PROTECTED AREA: The Protected Area will be a radius extending six (6) miles from the center of the Spa. Except however, in accordance with the Franchise Agreement, Franchisor may reduce the Protected Area in certain circumstance. If Franchisor does so, then the different Protected Area will be defined by Franchisor upon Franchisee's acquisition of the site for the Spa.

FRANCHISOR:
The Woodhouse SPAS, LLC
a Texas limited liability company

By: _____
Name: _____
Authorized Signatory
Date: _____

FRANCHISEE:

If Entity:

_____
Printed Entity Name

By: _____
Signature

Name: _____
Title: _____
Date: _____

If an Individual:

By: _____
Signature

Name: _____
Date: _____

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Franchisee, and a description of the nature of their interest:

NAME	PERCENT OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST

B. The following is a list of all of Franchisee's Principals, as defined in and designated pursuant to Section XXI.J. of the Franchise Agreement, each of whom shall (unless executing the Principals' Guaranty and Assumption Agreement) execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to the Franchise Agreement:

_____

_____

_____

_____

ATTACHMENT E

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO THE WOODHOUSE SPAS, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____
(Please attach one voided check for the above account.)

Store Location: _____

For information call: _____

Address: _____

Phone #: _____

_____
Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

Attachment F

Construction Management Services

Franchisor will provide the following Construction Management assistance related to the development of the Spa (the "Project"):

- Provide guidance in the preparation of a construction budget for the Project based on approved plans.

- Provide guidance to Franchisee in applying for and obtaining permits, licenses and entitlements required for the Project.

- Advise and make suggestions to Franchisee regarding the general contractor and subcontractor bid processes and selection of the general contractor.

- Make suggestions and provide guidance on preparation and negotiation of proposals and agreements with the general contractor and other professionals and consultants for the Project.

- Assist in identifying and monitoring the projected dates for the achievement of major milestones in the development process; and the commencement and completion of construction for various stages of the Project.

- Hold regularly scheduled meetings with Franchisee to discuss the progress and status of matters pertaining to the Project including, without limitation, preparation or modification of the plans and specifications, the status of entitlements, the project schedule, and matters that require Franchisee's approval. These meetings may require the architect, general contractor, and other consultants to attend as may be necessary.

- Assist with coordinating furniture, fixtures, and equipment delivery, receipt, and installation.

Franchisee assumes all cost, liability, expense, and responsibility for developing and constructing a site for the Spa and engaging all related professionals. Franchisee acknowledges that Franchisor's advice and recommendations are only for purposes of assisting in compliance with System standards, and does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor. Franchisor shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the design or construction plans, change orders, or delays in the construction process.

FRANCHISOR:
The Woodhouse SPAS, LLC
a Texas limited liability company

By: _____
Name:_____
Authorized Signatory

FRANCHISEE:

By: _____
Name:_____
Title:_____

SITE SELECTION AND ACQUISITION ADDENDUM

This Site Selection and Acquisition Addendum ("Site Addendum") is made part of, and incorporated into, the Franchise Agreement by and between The Woodhouse SPAS, LLC ("Franchisor") and _____ ("Franchisee") dated _____ ("Franchise Agreement"). Initially capitalized terms used but not defined herein have the meanings set forth in the Franchise Agreement.

RECITALS

Franchisor and Franchisee have entered into the Franchise Agreement.

Franchisor and Franchisee desire to modify the Franchise Agreement to provide for certain site selection and acquisition procedures and obligations with respect to the Spa.

NOW, THEREFORE, Franchisor and Franchisee expressly covenant and agree as follows:

I. Site Selection

A. Designated Area. Franchisee assumes all cost, liability, expense, and responsibility for locating, obtaining, and developing a site for the Spa (including any costs and expenses associated with engaging Franchisor's designated real estate broker) within the geographic area described below ("Designated Area"). Franchisee acknowledges and agrees that it acquires no rights in and to the Designated Area, other than the right to select a site for the Spa from within its boundaries.

_____
_____
_____

Following Franchisee's selection and Franchisor's acceptance of a site for the Spa, the Location will be identified in Attachment C to the Franchise Agreement and the Designated Area will be of no further force or effect.

B. Site Selection Assistance. To assist Franchisee in its selection of a site for its Spa, Franchisor will provide to Franchisee:

1. Site selection assistance and on-site evaluation as Franchisor deems advisable; provided, however, that Franchisor shall not provide an on-site evaluation for any proposed site prior to the receipt of all required information and materials concerning such site pursuant to Paragraph II.A.

2. On loan, a set of prototypical architectural and design plans and specifications for a Woodhouse Spa.

3. Franchisor may require Franchisee to use an approved broker to assist in the site selection process.

II. Site Review and Acceptance Procedure

A. Submission of Site Information. Before purchasing or entering into an agreement to lease a site for a Spa, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a description of the site, evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection guidelines and such other information and materials as Franchisor may reasonably require, including, but not limited to, a letter of intent, a site evaluation from an approved architect or design firm (at Franchisee's sole cost and expense) or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the site. Recognizing that time is of the essence, Franchisee agrees that it will submit such site information to Franchisor no later than ninety (90) days after the execution of the Franchise Agreement.

B. Site Approval. Franchisor shall have thirty (30) days after receiving Franchisee's site information to accept or not accept, in its sole discretion, the proposed site as the location for the Spa. No site may be used for a Spa unless it is first accepted in writing by Franchisor, and Franchisee shall not make any binding commitment with respect to a site for a Spa unless the site is first accepted in writing by Franchisor. Franchisor, at its option, may present Franchisee with pre-approved sites. If Franchisor accepts multiple sites for a Spa, or offers pre-approved sites, Franchisee shall notify Franchisor in writing within ten (10) days of the date of such acceptance of the site that Franchisee intends to acquire for the Spa. It will be a default of the Franchise Agreement for Franchisee to decline more than two (2) sites accepted or pre-approved by Franchisor. After Franchisor accepts the site, Franchisee must submit a copy of the proposed contract of sale or lease, as applicable. No lease shall be approved by Franchisor unless an addendum to the lease, containing covenants, in substantially the form of those in Exhibit 1 hereto, is attached to the lease and incorporated therein. Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable to Franchisee; it means only that the lease contains the lease terms that Franchisor requires. Franchisee acknowledges that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Spa operated at that site will be profitable or otherwise successful.

III. Site Acquisition

A. Site Acquisition. Promptly following Franchisor's acceptance of the site for each Spa, but in no event no later than one-hundred and eighty (180) days after the execution of the Franchise Agreement, Franchisee shall acquire the site by purchase or lease, at Franchisee's expense. Franchisee shall furnish to Franchisor a copy of the executed lease or contract of sale within ten (10) days after execution.

B. Contractual Designation of Site. After a site for a Spa is accepted by Franchisor and acquired by Franchisee, the address of the site shall be entered on Attachment C to the Franchise Agreement as the Location of the Spa.

IV. Conflict with Franchise Agreement. Whenever there is a conflict or inconsistency between this Site Addendum and any provision of the Franchise Agreement, the provisions of this Site Addendum shall control.

FRANCHISOR:	**FRANCHISEE:**
The Woodhouse SPAS, LLC a Texas limited liability company	
By: _____	By: _____
Name: _____	Name: _____
Authorized Signatory	Title: _____
Date: _____	Date: _____

Exhibit 1

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of The Woodhouse SPAS, LLC, a Texas limited liability company ("Franchisor"), and that the spa located at the Premises ("Unit") is operated under the Woodhouse Spa franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant and Franchisor. Landlord consents to Tenant's use at the Premises of such marks and signs, decor items, color schemes and related components of the Woodhouse Spa system as Franchisor may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to Franchisor copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give Franchisor further written notice of such failure ("Franchisor Notice"). Following Franchisor's receipt of the Franchisor Notice, Franchisor shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within fifteen (15) days following Franchisor's receipt of the Franchisor Notice. Such cure by Franchisor shall not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If Franchisor cures Tenant's default, or if Franchisor notifies Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of Franchisor's notice thereof), Landlord agrees, upon Franchisor's written request, to assign to Franchisor any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with Franchisor in order to pursue such action to a conclusion.

(d) If Franchisor cures Tenant's default or notifies Landlord of the termination of the Franchise Agreement, Franchisor shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1st) date of any cure by Franchisor; or

2. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor shall enter into an agreement to document such assumption. Franchisor is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Franchisor as herein provided.

(e) If, during the six (6) month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another Woodhouse Spa franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, Franchisor shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(g) Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Woodhouse Spa system and marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to the Addendum.

(h) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be 300 Union Boulevard, Suite 600, Lakewood, Colorado 80228, Attention: Chief Executive Officer, which address may be changed by written notice to Landlord in the manner provided in the Lease.

EXHIBIT D

LIST OF FRANCHISED OUTLETS

LIST OF FRANCHISED OUTLETS
AS OF DECEMBER 31, 2025

*****Franchise Agreement signed but Spa not open as of December 31, 2025.

Alabama

125 Summit Blvd.
Birmingham, Alabama
Franchisee: Wood You Relax Bama, LLC
Telephone: 504-669-6637
stuart@bham.woodhousespas.com

Arizona

*TBD - Gilbert, Queen Creek, AZ
Franchisee: John Neufeld , Taylor Desjardins, Lanis Mikeska, and Lynna Mikeska
Telephone:(432) 847-6757

Arkansas

*5400 Northgate Road, Suite 100
Rogers, AR 72758
Franchisee: MG Hospitality, LLC
Telephone: 501-952-5031
Email: Brooke.mcculley@icloud.com; chipmcculley@gmail.com

*TBD Little Rock, AR
Franchisee: Samuel Overley and Maeghan Overley
Telephone: (806) 781-1359

California

1636 Cypress Street
Walnut Creek, CA 94596
Franchisee: Tantort Holdings LLC
Telephone: (650) 505-7238
anshul.lal@gmail.com; kaizadt@protonmail.com

*TBD in Alameda County or Santa Clara County, CA

Franchisee: Anshul Lal & Kaizad Taraporewalla
Telephone: (650) 505-7238
anshul.lal@gmail.com; kaizadt@protonmail.com

Colorado

2255 W. 136th Ave., Suite A112
Broomfield, CO 80023
Euphoria Brands Inc.
Telephone: 512-775-2983
wayne.mcculloch@gmail.com; kristi.koellner@gmail.com

Boulder, CO
1118 Grant St.
Denver, Colorado 80210
Franchisee: Davenport Spas, Inc.
303-955-0911
ddavenport@amcapfin.onmicrosoft.com

880 Happy Canyon Road, Ste 130
Castle Pines, CO 80108
Franchisee: SSLP Spa, LLC
Telephone: 720-895-8488
sslpspa@yahoo.com

6955 York Street, #400
Centennial, CO 80122
Franchisee: Davenport Spas, LLC
Telephone: 303-868-0163
michelle@southglenn.woodhousespas.com

*1855 Briargate Pkwy, #515
Colorado Springs, CO 80920
Csprings Spa, LLC
Telephone: 720-810-5030
desiree@castlepines.woodhousespas.com

Fort Collins, CO
912 Lookout Court
Windsor, Colorado 80550
Franchisee: JDRA, LLC
970 218 8430
dana_weiss@live.com

714 Cheyenne Street
Golden, CO 80401
Franchisee: Tara Barnes and Brandon Barnes
Telephone: 303-883-7409

tara@golden.woodhousespas.com

Florida

7830 Naples Heritage Dr.
Naples, FL 34112
Franchisee: Sisters-In-Spa, Inc.
Telephone: 239-269-1892
leann.toth@yahoo.com

1990 Main Street, Suite 1999
Sarasota, FL 34246
Franchisee: Rest and Renewal Enterprises II, LLC
Telephone: 847-804-6512
Email: kim@woodhousehg.com; karen@woodhousehg.com

75 1st St. South
Saint Petersburg, FL 33701
Franchisee: Gigi's Dream, LLC
Telephone: 727-228-1646
stpete@woodhousespas.com

*249 W SR 436, Altamonte Springs, FL 32714
Franchisee: DEW SPA VI, LLC
Telephone: 225-330-4595
erinanddeneb@hotmail.com

*9887 Glades Road
Boca Raton, FL 33434
Franchisee: AANRYA BOCA LLC
Telephone: 908-930-6596
aanryahotels@gmail.com

Georgia

4400 Ashford Dunwoody Rd NE
Suite 1805
Atlanta, GA 30346
Franchisee: TPG Franchise I, LLC
Telephone: 518-573-6240
perlmb@hotmail.com

Atlanta, GA
1427 Downington Overlook NW
Acworth, Georgia 30101
Franchisee: Stacey Howell and Hollis Howell
678 695 3232
hpstacey20@gmail.com

7150 Avalon Boulevard
Alpharetta, GA 30009
Franchisee: Justin Bachtell and Kelly Bachtell
Telephone: 678-427-9679
Justin.bachtell@gmail.com

214 City Circle
Peachtree City, GA 30269
Franchisee: Soulstice Serenity Corporation
Telephone: 678-365-0900
Email: c-a@soulsticeserenity.com

*301 Passage Way, #A-102
Savannah, GA 31401
Franchisee: Southern Spas Savannah, LLC
Telephone: 937-608-0661
Email: kim@charleston.woodhousespas.com

Illinois

*TBD – Chicago, IL
Franchisee: Sonal Patel, Arkin Shah, Jessica Shah, Kshitij Patel
Telephone: 919-649-6776
Email: sonalreeva@yahoo.com

*Renaissance Place
Highland Park, IL
Franchisee: Brian Kerns
Telephone: (312) 951-3880
Email: bkerns24@gmail.com

* 3021 Butterfield Road
Oakbrook, IL 60523
Franchisee: Sonal Patel, Arkin Shah, Jessica Shah, Kshitij Patel
Telephone: 919-649-6776
Email: sonalreeva@yahoo.com

Indiana

2182-A East 116th Street
Carmel, IN 46032
Franchisee: LangSmith Enterprises, LLC
Telephone: 317-706-1300
terri@carmel.woodhousespas.com
11501 Geist Pavillion Dr., St. 118
Fishers, IN 46037
Franchisee: Terri Smith and Dan Smith

Telephone: 317-594-9300
terri@carmel.woodhousespas.com

6388 W. Jefferson Blvd.
Fort Wayne, IN 46804
Franchisee: Ryan Lindemann and Sarah Lindemann
Telephone: 260-459-6249
fortwayne@woodhousespas.com

1012 E. University Dr.
Granger, IN, 46530
Franchisee: Lillia's Spa, LLC
Telephone: 574-303-7044
Anastasiatapper25@gmail.com

Indianapolis, IN
Franchisee: Tye Enterprises, LLC
924 Oak Terrace Road
Westfield, IN 46074
317-566-1649
terri@carmel.woodhousespas.com

4400 Weston Pointe Dr., Ste., 130
Zionsville, IN 46077
Franchisee: Terri Smith and Dan Smith
Telephone: 317-873-0333
terri@carmel.woodhousespas.com

Kansas

Overland Park, KS
4905 W. 81st Street
Prairie Village, Kansas 66208
Franchisee: Mark Rome and Julie Rome
913 908 5803
mark@therometeam.com

*15230 W. 119th St., Olathe, KS 66061
Franchisee: Woodhouse KSJ LLC
Telephone: 913-908-5803
Email: mark@therometeam.com;
julie@leawood.woodhousespas.com

Kentucky

2808 Turkeyfoot Rd.
Crestview Hills, KY 41017
Franchisee: J. Stewart Capital, LLC
Telephone: 513-607-4508
Jeffrey Chapman
Jeff@nky.woodhousespas.com

161 Lexington Green Circle
Lexington, KY 40503
Franchisee: J. Stewart Capital of Lexington, LLC
Telephone 859-800-5397

101 South Fifth Street, Suite G100, Louisville, KY 40202
Franchisee: Rest and Renewal Enterprises III, LLC
Telephone: 512-968-7693
kim@woodhousehg.com;
karen@woodhousehg.com

Louisiana

10222 The Grove Blvd 1
Baton Rouge, LA 70810
Franchisee: DEW Spa II, LLC
Telephone: 225-330-4595
erinanddeneb@hotmail.com

4030 Canal St.
New Orleans, LA 70119
Franchisee: DEW SPA III, LLC
Telephone: 504-669-6637
erinanddeneb@hotmail.com

796 E. I-10 Service Road, Suite 230
Slidell, LA 70461
Franchisee: DEW Spa II, LLC
Telephone: 985-641-7772
erinanddeneb@hotmail.com

5004 West Esplanade Ave.
Metairie, Louisiana
Franchisee: DEW SPA IV, LLC
Telephone: 985-290-7873
erin@slidell.woodhousespas.com

3140 E Causeway Approach
Mandeville, LA 70471
Franchisee: DEW SPA V LLC
Telephone: 985-641-7772
erinanddeneb@hotmail.com

* 3810 Ambassador Caffrey Pkwy
Lafayette, LA 70503
Franchisee: MCBEE LLC
Telephone: 504-214-7298
Email: giselle.mcbee@woodhousespas.com

Maryland

205 Ellington, Blvd.
Gaithersburg, MD 20878
Franchisee: Weeks Hospitality Group
Telephone: 240-382-3637
beth@leesburg.woodhousespas.com

2 Paseo Dr
North Bethesda, MD 20852
Franchisee: Sabrage Holdings LLC
Telephone: 617-513-1993
peter@northbethesda.woodhousespas.com

*331-341 N. Market Street
Frederick MD 21701
Franchisee: Zentopia, LLC
Telephone: 301-461-4168
Email: sazad@qmsllc.net; zieebiz95@gmail.com

Michigan

364 N Adams Rd
Birmingham, MI 48009
Franchisee: AMJT Enterprises, LLC
Telephone: 248-930-5883
abrodbine@aol.com

1447 Woodward Avenue
Detroit, MI 48226
Franchisee: Cheryl Hudson
Telephone: 313-965-6270
chudson753@msn.com

2060 E. Beltline Ave NE
Grand Rapids, Michigan 49525
Franchisee: Woodchuck Enterprises, LLC.
Telephone: 616-308-5189
davidapezzato@me.com

*TBD - Detroit, MI
Franchisee: Armya Enterprises LLC
Telephone: (248) 229-3531
lois.mcentyre@gmail.com

Minnesota

12425 Elm Creek Blvd, North
Maple Grove, MN 55369
Franchisee: Mark Patrick Adams and
Amy Jane Adams
Telephone: 763-237-3772
amy@arborlakes.woodhousespas.com

9040 Hudson Rd Suite 206
Woodbury, MN 55125
Franchisee: Mark Patrick Adams and
Amy Jane Adams
Telephone: 763-237-3772
amy@arborlakes.woodhousespas.com

Roseville, MN
Franchisee: Mark Patrick Adams and
Amy Jane Adams
Telephone: 763-237-3772
amy@arborlakes.woodhousespas.com

13306 Technology Drive, Suite 105
Eden Prairie, MN 55344
Franchisee: Moxie Spa LLC
Telephone: 612-476-5730
Megan.Stebbing@woodhousespas.com

Missouri

*15828 – 15896 Manchester Road
Ellisville, MO 63011
Franchisee: T2 Tranquility Holdings Corp
Telephone: 314-406-9906
Email: execleadership32@gmail.com

Nebraska

*14652 Canopy Avenue
Omaha, NE 68154
Franchisee: Ashlyn Becker and Clayton Becker
Telephone: (612) 386-0001
Ashlyn.becker@gmail.com;

New Jersey
56 South Park Street
Montclair, NJ 07042
Franchisee: Shapiro Enterprises, L. L. C.
Telephone: 973-509-8488
alla.spa@hotmail.com

73 Broad St.
Red Bank, NJ 07701
Franchisee: ACCJ Red Ban Spa, LLC
Telephone: 347-439-4838
jennycivil@gmail.com;
420 Springfield Ave.
Summit, NJ 07901
Franchisee: Veeren Reddy and Madhuri Reddy
Telephone: 908-608-1120
Vreddy@vistaar.com

602 Bridle Path
Wyckoff, New Jersey 07481
Franchisee: Shapiro Spa Hoboken, LLC
alla@montclair.woodhousespas.com

*TBD Bergen County, NJ
Veeren Reddy and Madhuri Reddy
Telephone: (908) 608-1120
veeren@summit.woodhousespas.com

New York

5933 Main Street
Williamsville, NY 14221
Franchisee: L & M Luxury Spa Services, LLC
Telephone: 716-458-5700
lwishman@buffalo.woodhousespas.com

North Carolina

4625 Piedmont Row Dr. Suite 125
Charlotte, NC 28210
Franchisee: Recenter Corporation
Telephone: 304-546-1854
Email: leannlambert@gmail.com;
Jlambert@hlwproperties.com

1121 Military Cutoff Rd, Suite P
Wilmington, NC 28405
Franchisee: Glenmaco Ventures Corp.
Telephone: 843-408-3646

4000 Front at North Hills St.
Raleigh, NC 27609
Franchisee: SOHA Wellness LLC
Telephone: 919-649-6776
esha@anayafoods.com

*TBD – Orange, Wake or Durham Counties, NC
Franchisee: SOHA Wellness LLC
Telephone: 919-649-6776
Email: sonalreeva@yahoo.com

Ohio

9370 Montgomery Road
Cincinnati, OH 45242
Franchisee: Shomann, Inc.
Telephone: 513-891-4772
chris@woodhousespas.com

4412 Buckeye Lane
Beaver creek, OH 45440
Franchisee: Spamann, LLC
Telephone: 937-427-3529
chris@woodhousespas.com

300 Park Avenue
Suite 164
Orange Village, OH 44122
Franchisee: Elvis Matkovic and Dawn Matkovic
Telephone: 440-220-5553
elvis@cleveland.woodhouse.com

2015 Polaris Pkwy
Columbus, OH 43240
Franchisee: Alan Reuter and Mona Reuter
Telephone: 614-790-8822
Alan@columbus.woodhousespas.com

869 Goodale Blvd,
Grandview Heights, OH 43212
Franchisee: RARMAR, LLC
Telephone: 614-790-8822
Alan@columbus.woodhousespas.com

19 North High Street
Dublin, OH 43017
Franchisee: AKRMAR Enterprises, Inc.
Telephone: 614-790-8822
Alan@columbus.woodhousespas.com

7272 Liberty Way
Liberty Township, OH 45069
Franchisee: Liberty Spa, LLC
Telephone: 513-755-4530
chris@woodhousespas.com

19875 Detroit Road
Rocky River, OH 44116
Franchisee: Elvis Matkovic and Dawn Matkovic
Telephone: 440-220-5553
elvis@cleveland.woodhouse.com

*145 Montrose West Ave.
Copley, OH 44321
Franchisee: Elvis Matkovic and Dawn Matkovic
Telephone: (216) 256-6049
Email: elvis@cleveland.woodhousespas.com

Pennsylvania

387 Wyoming Avenue
Kingston, PA 18704
Franchisee: ACCJ Kingston Spa LLC
Telephone: 347-439-4838
jennycivil@gmail.com

*TBD – Allegheny, Washington, Butler or Beaver Counties, PA
Franchisee: Gingerspa LLC
Telephone: 614-876-4784;
614-584-9828
Email: alan@columbus.woodhousespas.com;
Mona@columbus.woodhousepas.com;
rachel@columbus.woodhousespas.com

South Carolina

10 Westedge Street
Charleston, SC 29403
Franchisee: Southern Spas Development
Telephone: 937-608-0661
kim@charleston.woodhousespas.com

149 Wentworth St.
Charleston, SC 29401
Franchisee: Southern Spas Wentworth, LLC
Telephone: 937-608-0661

1025 Woodruff Rd Suite J
Greenville, SC 29607
Franchisee: Laxush Hospitality, LLC
Telephone: 803-269-4774
mona@greenville.woodhousespas.com

725 Johnnie Dodds Boulevard
Mt. Pleasant, SC 29464
Franchisee: Southern Spas, LLC
Telephone: 937-608-0661
kim@charleston.woodhousespas.com

*TBD – Greenville, Richland or Lexington Counties, SC
Franchisee: Mona Thind
Telephone: 803-269-4774
Email: mona@greenville.woodhousespas.com

Tennessee

2001 Division St.
Nashville, TN 37203
Franchisee: Kim Stevens-Trull and Carl Stevens
Telephone: 615-717-7511
kim@woodhousehg.com

1175 Meridan Blvd.

Franklin, TN 37067
Franchisee: Southern Spas Franklin, LLC
Telephone:
kim@charleston.woodhousespas.com

Texas

The Gin- 219 South East St., Ste. A
Belton, TX 76513
Franchisee: Tranquility Solutions, LLC
Telephone: 254-933-2275
lnpotts@gmail.com

1300 East Whitestone Blvd., Ste 100
Cedar Park, TX 78613
Franchisee: O'Connell-Thornton Enterprises, LLC
Telephone: (512) 217-7662
elise@cedarpark.woodhousespas.com

College Station, TX
4115 Lake Atlas Pear Dr.
Bryan, TX 77807
Franchisee: RelaxAggieland, Inc.
Telephone: 361 648 8589
kristie@woodhousespas.com

6000 S. Staples, Suite 400
Corpus Christi, TX 78413
Franchisee: Freeman Logic, Inc.
Telephone: 361-985-8488
brad@corpus.woodhousespas.com

Dallas, TX
Mockingbird Station
5307 E. Mockingbird Ln.
Dallas, TX 75206
Franchisee: Jeff Evanson
Telephone: 817-673-7274
Jeff_evanson@hotmail.com

8898 Gateway West, Suite 1640
El Paso, TX 79925
Franchisee: Three Servants LLC
Telephone: 512-970-0591
sylvia.r.apodaca@gmail.com

1621 River Run, Suite 161
Fort Worth, TX 76107
Franchisee: Woodhouse Fort Worth LLC
Telephone: 214-473-9955
rkbray@gmail.com

Friendswood, TX
700 Baybrook Mall #A125
Baybrook Mall 77546
Franchisee: Evelyn Baldwin and Chad Hanak
Telephone: 346-212-4897
Evelyn.baldwin30@gmail.com

4081 Waller Creek R120
Highland Village, Texas 75077
Franchisee: Sandust Retreat, LLC
Telephone: 214-676-7433
Yvonne@highlandvillage.woodhousespas.com

10420 Louetta Rd, Suite 112
Houston, TX 77070
Franchisee: WTW-SMRT Holdings, LLC
Telephone: 832-698-1895
joe@woodlands.woodhousespas.com

8201 Quaker Avenue
Suite 108
Lubbock, TX 79424
Franchisee: A&E Enterprises, L. L. C.
Telephone: 806-794-1772
Erica@lubbock.woodhousespas.com

4400 Midland Dr., Suite 210
Midland, TX 79707
Franchisee: Mikeska Spa, LLC
Telephone: 325-656-4045
lynna.mikeska@yahoo.com

4855 Riverstone, Suite 110
Missouri City, TX 77459
Franchisee: Sweet Escapes, Inc.
Telephone: 214-473-9955
Sandra@sugarland.woodhousespas.com

*414 N. Grant Avenue
Odessa, TX
Franchsiee: Eofficial Wellness, LLC
Telephone: 432-296-1615

Email: Sondra.eoff@woodhousespas.com
Toby.eoff@woodhousespas.com

5760 Legacy Drive, Suite B14
Plano, TX 75024
Franchisee: R & D Futures, L. L. C.
Telephone: 214-473-9955
rkbray@gmail.com

9595 Six Pines Dr
The Woodlands, TX 77380
Franchisee: WTW-SMRT Holdings, LLC
Telephone: 512-269-5445
Suzannegrove2013@gmail.com

609 N. Wheeler
Victoria, TX 77901
Franchisee: Butler & May LLC
Telephone: 361-676-4541
jsnbtlr@gmail.com

4703 N. Main
Victoria, TX 77901
Franchisee: Butler & May LLC
Telephone: 361-676-4541
jsnbtlr@gmail.com

5085 Westheimer Rd.
Houston TX 77054
Franchisee: Baldwin Spa Holdings II LLC
Telephone: 346-212-4897
Evelyn.baldwin30@gmail.com

* TBD - North Frisco, Prosper, or Little Elm, Texas
Franchisee: Refined Point Corp.
Telephone: 312-823-9547
kalefamtx@gmail.com;nikky.kale@gmail.com;
lankale@gmail.com

Utah

Salt Lake City
Franchisee: RKRH, LLC
3418 South 2940 East
Salt Lake City, Utah, 84109
801-673-1637
ryan@holladay.woodhousespas.com

Virginia

Gainesville, VA
Franchisee: KDH Enterprises, Inc.
Telephone: 561-305-0262
kdhinc@outlook.com

1603 Village Market Blvd SE #116
Leesburg, VA 20175
Franchisee: Donald and Beth Weeks
Telephone: 240-818-4360
don8371@aol.com

* TBD Richmond, VA
Kim Powell
Telephone: (937) 608-0661
kim.powell@woodhousespas.com

Wisconsin

325 Bayview Road, Suite F
Mukwonago, WI 53149
Franchisee: Too Sister Spas, L. L. C.
Telephone: 262-363-8878
mukwonago@woodhousespas.com

LIST OF DEVELOPERS
AS OF DECEMBER 31, 2025

Arkansas

Benton and Washington Counties, AR; Tulsa, Osage, Pawnee, Creek, Okmulgee, Wagoner and Rogers Counties, OK.
Developer: MG Hospitality, LLC
Telephone: 501-952-5031
Email: Brooke.mcculley@icloud.com; chipmcculley@gmail.com

Florida

Seminole County, Florida
Developer: DEW SPA VI, LLC
Telephone: 225-330-4595
Email: erinanddeneb@hotmail.com

Missouri

St Louis County, MO and
St Charles County, MO
Developer: T2 Tranquility Holdings Corp
Telephone: 314-406-9906
Email: execleadership32@gmail.com

North Carolina

Mecklenburg County, NC
Developer: Woodhouse CLT, LLC
Telephone: 304-546-1854
Email: leannlambert@gmail.com;
Jlambert@hlwproperties.com

Ohio

Cuyahoga County, Geauga County, Lake County, and Medina County, Ohio
Developer: Elvis Matkovic and Dawn Matkovic
Telephone: 440-220-5553
elvis@cleveland.woodhouse.com

Virginia

Richmond City, Chesterfield County, Henrico County, Hanover County, & Goochland County
Developer: Kim Powell
Telephone: (937) 608-0661
kim.powell@woodhousespas.com

EXHIBIT E

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

LIST OF FRANCHISEES WHO LEFT THE SYSTEM
AS OF DECEMBER 31, 2025

Franchisee/Owner	Telephone Number	City	State
The Lotus & Banyan Corporation	407-965-3131	Orlando	FL
Relax Clermont, LLC (Never Opened)	352-205-6866	Clermont	FL

TRANSFERS AS OF DECEMBER 31, 2025

None.

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EXHIBIT G

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

[Current Form for Transfers and Renewals]

1. **Release of Claims**. Franchisee and its Principals and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the "Franchisee Related Parties") irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, independent contractors, servants, employees, representatives, attorneys, successors and assigns and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent ("Claim" or "Claims"), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement. [For a release of claims included with a renewal agreement only, the foregoing excludes claims based on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer of this Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in the Franchise Agreement (including any riders or addenda signed at the same time as this Agreement).]

   [For California franchisees: Franchisee and its Principals expressly waive and relinquish all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. Franchisee and Owner do so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release and discharge as described in Section 1. above, Franchisee and its Principals expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which Franchisee and its Principals do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

2. **Unknown Claims**.

   (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.

   (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual

or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.

4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

5. **Full and Independent Knowledge**. Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.

6. **Compromise**. Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.

7. **General Provisions**.

   (a) Entire Agreement. This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.

   (b) Authority. By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.

   (c) Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

   (d) Survival. All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

   (e) Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

   (f) Complete Defense. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

(g) Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

The Woodhouse SPAS, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Date: _____

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

Date: _____

[Add signature blocks for any additional parties identified pursuant to Section 1]

[For Development Agreements the word "Franchisee" is replaced with the word "Developer" and "Franchise" is replaced with the word "Development".]

EXHIBIT H

COMPLIANCE QUESTIONNAIRE

THE WOODHOUSE SPAS, LLC
COMPLIANCE QUESTIONNAIRE

As you know, The Woodhouse Spas, LLC and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the operation of one or more Spa businesses. In this Franchisee Disclosure Questionnaire, The Woodhouse Spas, LLC will be referred to as "we" or "us." Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received the Woodhouse Franchise Agreement—and Development Agreement, if applicable—and each exhibit attached to it?

Yes ____ No ____

2. Have you received our Disclosure Document we provided to you?

Yes ____ No ____

3. Has any employee or other person speaking on our behalf made any promise concerning the actual or potential financial performance of a Franchised Business that we or our franchisees operate, including, but not limited to revenues, profits, or operating?

Yes ____ No ____

4. If you have answered "Yes" to Question 4, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to such question, please leave the following lines blank.

_____

_____

_____

_____

DO NOT COMPLETE QUESTIONS 5-12 IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS(ES) WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

5. Have you personally reviewed the Franchise Agreement and each exhibit attached to it?

Yes ____ No ____

6. Do you understand all of the information contained in the Franchise Agreement—and Development Agreement, if applicable—and each exhibit attached to it?

Yes ____ No ____

If "No," what parts of the Franchise Agreement and/or Multi-Unit Development Agreement do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

7. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes ____ No ____

8. Do you understand all of the information contained in the Disclosure Document?

Yes ____ No ____

If "No," what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

9. Have you discussed the benefits and risks of operating a Woodhouse business with an attorney, accountant, or other professional advisor?

Yes ____ No ____

10. Do you understand those risks?

Yes ____ No ____

11. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, spa equipment and beauty supplies cost, tenant rent terms and other economic and business factors?

Yes ____ No ____

12. Do you understand that in all dealings with you, our officers, directors, and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes ____ No ____

By signing this Compliance Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Name of Franchisee/Applicant

Date: _____

_____
Signature

_____
Name and Title of Person Signing

ATTACHMENT A

LIST OF STATE ADMINISTRATORS

ATTACHMENT A

LIST OF STATE ADMINISTRATORS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-1105
866-275-2677

FLORIDA

Department of Agriculture and Consumer Services
Mayo Building, 2nd Floor
Tallahassee, Florida 32399

HAWAII

Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief, Franchise Bureau
Attorney General's Office
500 South Second Street
Springfield, Illinois 62706

INDIANA

Securities Commissioner
Indiana Securities Division
302 West Washington Street
Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn.: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
85 7th Place East
Suite 280
Saint Paul, Minnesota 55101

NEBRASKA

Nebraska Department of Banking and Finance
Bureau of Securities
Financial Institutions Division
1526 K Street, Suite 300
Lincoln, Nebraska 68508

NEW YORK

Assistant Attorney General
New York Department of Law
Investment Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 14th Floor
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Franchise Administrator
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711

UTAH

Director
Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P.O. Box 45804
Salt Lake City, Utah 84145

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Department of Financial Institutions
Securities Division
PO Box 41200
Olympia, Washington 98504-1200

WISCONSIN

Franchise Administrator
Division of Securities
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

ATTACHMENT B

AGENTS FOR SERVICE OF PROCESS

ATTACHMENT B

AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

HAWAII

Commissioner of Securities
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 West Washington
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933

MINNESOTA

Commissioner of Commerce
85 7th Place East
Suite 280
Saint Paul, Minnesota 55101

NEW YORK

Secretary of State of
The State of New York
99 Washington Avenue
Albany, New York 12231
(518) 473-2492

NORTH CAROLINA

Secretary of State of North Carolina
2 South Salisbury Street
Raleigh, North Carolina 27603

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 14th Floor
Bismarck, North Dakota 58505-0510

OREGON

Director
Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

WISCONSIN

Commissioner of Securities
Wisconsin Securities Commission
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

RHODE ISLAND

Director
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State
Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

ATTACHMENT C

STATE SPECIFIC ADDENDA

CALIFORNIA

1. Item 3 of the Disclosure Document is supplemented by the following language:

> Neither we nor any person or franchise broker in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A.78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

3. The agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

4. The agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The agreement requires mediation. The costs of the mediation will be borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure 1281, and the Federal Arbitration Act) to any provision of a franchise agreement restricting venue to a forum outside the State of California.

6. The agreement requires application of the laws of Colorado. This provision may not be enforceable under California law.

7. The agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. Item 19 of the Franchise Disclosure Document is supplemented by the following language:

> The financial performances representation figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue of gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Woodhouse Spa. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

9. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

10. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE DISCLOSURE DOCUMENT.

11. Corporations Code 31512 provides that: “Any conditions, stipulation or provision purporting to

bind any person acquiring a franchise to waive compliance with any provision of this law or any rule or order hereunder is void." The agreement requires a shortened status of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304.

12. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

13. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

14. 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.

Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ILLINOIS

1. If the Franchise Agreement or Development Agreement requires that it be governed by a state's law other than the state of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act (including judicial decisions interpreting the Act), Illinois law will govern.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement or Development Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, the Franchise Agreement or Development Agreement may provide for arbitration in a venue outside of Illinois.

3. Section 41 of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

4. Your rights upon termination and non-renewal of a franchise are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

6. 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.

MARYLAND

1. Item 5 of the Disclosure Document, Section II of the Development Agreement, and Section IV of the Franchise Agreement is hereby supplemented by the following:

> Based upon the franchisor's current financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.
>
> If the fee deferral requirement is removed by the State of Maryland, then immediately upon notice from Franchisor, Franchisee or Area Developer must pay accrued but unpaid portions of all initial fees and payments as required by the Agreement.

2. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document shall be modified as follows:

a. The Summary column for Item 17.v., "Choice of Forum" (Franchise Agreement and Development Agreement charts) is amended as follows:

> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law (the "Law"). Except for any rights a franchisee has under the Law to bring suit in Maryland for claims arising under the Law, mediation of disputes which are subject to mediation will be held at our corporate headquarters. Except as otherwise required by the Law, venue for all proceedings arising under the Franchise Agreement is the state, county or judicial district where our principal place of business is located, unless otherwise brought by us.

b. Item 17.c., "Requirements for you to renew or extend" (Franchise Agreement chart) and Item 7.m. "Conditions for our approval of transfer" (Franchise Agreement and Development Agreement charts) are amended by the addition of the following:

> The Code of Maryland Regulations COMAR 02.02.08.16L., states that a general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. This may affect the enforceability of certain provisions in the Franchise and/ or Development Agreements relating to renewal, sale, assignment or transfer of the Franchise and/ or Development Agreements.

c. Item 17 is amended to add the following note at the end of that Item:

> The limitations of claims provision in the Franchise Agreement (Section XIX.N.) and in the Development Agreement (Section XI.L.) will not act to reduce the 3-year statute of limitations period afforded a franchisee under Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law (the "Law") for claims arising under the Law.

d. The following is added as the last paragraph of Item 17:

> A provision in the Franchise Agreement or Development Agreement which terminates the agreement upon your bankruptcy may not be enforceable under Title 11, United States Code Section 101.

3. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law ("Law"), the Franchise Agreement and Development Agreement shall be modified as follows:

a. Under certain circumstances (e.g., transfer and renewal), the Franchisee is required in this Agreement to execute a release of claims that would negate or remove from judicial review statements, misrepresentations or actions that may violate the Law, or a rule or order under the Law. Such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.

b. The Franchisee is required in this Agreement to acknowledge facts that would negate or remove from judicial review statements, misrepresentations or actions that may violate the Law, or a rule or order under the Law. Such acknowledgment, including the acknowledgment in Section XIX.J of the Franchise Agreement and Section XI.H of the Development Agreement, shall be void with respect to claims under the Law.

c. Any requirement that litigation be conducted in a forum other than the State of Maryland shall not be interpreted to limit any rights Franchisee may have under Section 14-216(c)(25) of the Law to bring suit in the State of Maryland.

d. Any claims that Franchisee may have under the Law must be brought within 3 years after the grant of the franchise.

4. Section XIX.N. of the Franchise Agreement and Section XII.L of the Development Agreement are amended by the addition of the following as the last sentence of the paragraph:

> However, this paragraph will not act to reduce the 3-year statute of limitations period afforded a franchisee under Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law (the "Law") for claims arising under the Law.

5. Section XX (Acknowledgments) of the Franchise Agreement and Section XII (Acknowledgments) of the Development Agreement are deleted.

6. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

7. 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.

MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80C.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Disclosure Document, Franchise Agreement, and/or Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that franchisors indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's proprietary marks infringes trademark rights of the third party. Minn. Stat. Sec. 80C.12, Subd. 1(g).

b. Minn. Stat. Sec. 80C.14, Subds. 3, 4., and 5 requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement, and that consent to transfer of a franchise will not be unreasonably withheld. If the Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

c. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act.

d. If the Agreement requires that it be governed by the law of a state other than the State of Minnesota or arbitration or mediation, those provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

e. Any provision that requires the Franchisee to consent to a claims period that differs from the applicable statute of limitations period under Minn. Stat § 80C.17, Subd. 5. may not be enforceable under Minnesota.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document, Franchise Agreement, and/or Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including your rights to any procedure, forum, or remedies provided for in that law.

3. The Disclosure Document, Franchise Agreement, and/or Development Agreement is hereby amended to delete all references to Liquidated Damages (as defined) in violation of Minnesota law; provided, that no such deletion shall excuse the franchisee from liability for actual or other damages and the formula for Liquidated Damages in the Agreement and/or disclosure document shall be admissible as evidence of actual damages.

4. To the extent required by Minnesota Law, the Disclosure Document, Franchise Agreement, and/or Development Agreement is amended to delete all references to a waiver of jury trial.

5. All sections of the Disclosure Document, Franchise Agreement, and/or Development Agreement referencing Franchisor's right to obtain injunctive relief are hereby amended to refer to Franchisor's right to seek to obtain.

6. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act applicable to the provision are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

7. 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.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN ATTACHMENT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

   C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

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

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

6. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

7. 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.

NORTH DAKOTA

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. To the extent that the Disclosure Document, Franchise Agreement, and/or Development Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the Franchisee/Developer is required to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.

b. Section 17(i) of the Disclosure Document and covenants not to compete during the term of and upon termination or expiration of the Agreements are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement and/or Development Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.

c. Section 17(v) of the Disclosure Document and the sections of the Franchise Agreement and/or Development Agreement that require litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.

d. Section 17(w) of the Disclosure Document and the sections of the Franchise Agreement and/or Development Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

e. If the Franchise Agreement and/or Development Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

f. If the Franchise Agreement and/or Development Agreement requires payment of liquidated damages or a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

g. Any provision that provides that the parties waive their right to a jury trial may not be enforceable under North Dakota law.

h. Any provision that provides that the Franchisee/Developer consent to a waiver of punitive and exemplary damages may not be enforceable under North Dakota Law.

i. Any provision that requires the Franchisee/Developer to consent to a claims period that differs from the applicable statute of limitations period under North Dakota Law may not be enforceable under North Dakota Law.

j. Any provision that requires Franchisee/Developer to pay all costs and expenses incurred by the Franchisor in enforcing the Franchise Agreement and/or Development Agreement may not be enforceable under North Dakota Law.

2. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

3. 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.

VIRGINIA

1. Item 1, "Industry-Specific Regulation" is hereby supplemented by the addition of the following:

In accordance with Virginia Code §54.1-704.1 a license is required for a barbershop, cosmetology salon, nail care salon, esthetics spa, etc. For further information the Virginia Department of Professional and Occupational regulation should be contacted.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Woodhouse SPAS, LLC is supplemented by the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

3. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

4. 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.

5. The following applies to a Franchise Agreement executed on or after July 1, 2026, for a franchise located in Virginia:

(a) Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

(b) Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

{See the last page of this Attachment C for your Signature.}

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, COMPLIANCE QUESTIONNAIRE, AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement, Development Agreement, Compliance Questionnaire, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the

franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

{See the last page of this Attachment C for your Signature.}

ACKNOWLEDGMENT:

If any one of the preceding State Specific Addenda ("Addenda") is checked as an "Applicable Addenda" below or if the jurisdictional requirements for application of one of the following State's franchise sales law is independently satisfied, then that Addenda will be incorporated into the Disclosure Document and/or, if applicable as indicated in such Addenda, the Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Disclosure Document or, as applicable, Franchise Agreement or other specified agreement(s), the terms of the Applicable Addenda will supersede the terms of the Disclosure Document or, as applicable, Franchise Agreement or other specified agreement(s).

□ California	□ New York
□ Illinois	□ North Dakota
□ Maryland	□ Virginia
□ Minnesota	□ Washington

FRANCHISOR:

The Woodhouse SPAS, LLC

By: _____
Title: Authorized Signatory

FRANCHISEE

_____

By: _____

Title: _____

By: _____

Title: _____

State Effective Dates

The following states require that the Franchise Disclosure Document be registered or filed with the states, 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	April 30, 2026
Hawaii	Not Registered
Illinois	April 30, 2026
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Not Registered
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulated the offer and sale of business opportunities or seller-assisted marketing plans.

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 The Woodhouse SPAS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business 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, (b) New York requires us to provide you the disclosure document the earlier of the first personal meeting or 10 business 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, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 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 The Woodhouse SPAS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency. (See Attachment A for a list of state administrators.)

The franchise sellers offering the franchise (with name, address, and phone number to be inserted, as necessary) are:

Name	Principal Business Address	Telephone Number
John L. Pantera	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	413-525-2347
Liam Finn	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	(843) 290-6507
B. Keith Sizemore	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	(281) 543-9419

Issuance Date: April 30, 2026

See Attachment B for our registered agents authorized to receive service of process.

I received a disclosure document dated April 30, 2026. The disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Development Agreement
Exhibit C	Franchise Agreement
Exhibit D	List of Franchised Outlets
Exhibit E	List of Franchisees Who Left the System
Exhibit F	Operations Manual Table of Contents
Exhibit G	Form of General Release
Exhibit H	Compliance Questionnaire
Attachment A	List of State Administrators
Attachment B	Agents for Service of Process
Attachment C	State Specific Addenda

Dated: _____

_____

Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

_____

Printed Name

of _____

(Keep this page for your records.)

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 The Woodhouse SPAS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state law in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business 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, (b) New York requires us to provide you the disclosure document the earlier of the first personal meeting or 10 business 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, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 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 The Woodhouse SPAS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency. (See Attachment A for a list of state administrators.)

The franchise sellers offering the franchise (with name, address, and phone number to be inserted, as necessary) are:

Name	Principal Business Address	Telephone Number
John L. Pantera	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	413-525-2347
Liam Finn	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	(843) 290-6507
B. Keith Sizemore	300 Union Boulevard, Suite 600, Lakewood, Colorado 80228	(281) 543-9419

Issuance Date: April 30, 2026

See Attachment B for our registered agents authorized to receive service of process.

I received a disclosure document dated April 30, 2026. The disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Development Agreement
Exhibit C	Franchise Agreement
Exhibit D	List of Franchised Outlets
Exhibit E	List of Franchisees Who Left the System
Exhibit F	Operations Manual Table of Contents
Exhibit G	Form of General Release
Exhibit H	Compliance Questionnaire
Attachment A	List of State Administrators
Attachment B	Agents for Service of Process
Attachment C	State Specific Addenda

Dated:_____

_____

Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

_____

Printed Name

of_____

(Sign and return this page.)