

FRANCHISE DISCLOSURE DOCUMENT
GLO Tanning Franchise LLC
(an Oklahoma Limited Liability Company)
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The franchise offered is a tanning salon featuring tanning services, tanning equipment, skin care products and beauty products, together with related services, products, merchandise, and accessories.

The total investment necessary to begin operation of a GLO TANNING franchise is \$452,299 to \$777,539, not including real estate costs. This includes \$30,000 for the initial franchise fee and \$7,000 - \$10,000 for computer hardware, software and peripherals that must be paid to the franchisor or its affiliate for a newly constructed location.

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

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

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

Issue Date: August 22, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
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 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 G 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 GLO TANNING 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 GLO TANNING franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few of the things you should look for. Review all 23 Items and Exhibits 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.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates.

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 can sell, how you market, and your hours of operation.

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 period to find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures where 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.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

RISK FACTORS

Please consider the following RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION IN OKLAHOMA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN OKLAHOMA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT OKLAHOMA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

PLEASE NOTE THAT MOST OF THE FRANCHISOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. 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.

SEE CHART BELOW FOR REGISTRATION EFFECTIVE DATES.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this disclosure document. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the State Administrator listed on Exhibit A.

See Exhibit E to this disclosure document for information, notices or provisions that may apply to your specific state.

REGISTRATION STATE EFFECTIVE DATES

The following states require that the franchise disclosure document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

The franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE EFFECTIVE DATE

Illinois – None.

Indiana – None.

Maryland – None.

Michigan – None.

Minnesota – None.

New York – None.

North Dakota – None.

Rhode Island – None.

South Dakota – None.

Virginia – None.

Washington – None.

Wisconsin – None.

GLO TANNING

DISCLOSURE DOCUMENT

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT E.

GLO TANNING DISCLOSURE DOCUMENT

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, GLO Tanning Franchise LLC, the franchisor of the GLO TANNING franchise system (the “System”), is referred to in this disclosure document as “we”, “us”, or “GTF.” A franchisee is referred to in this disclosure document as “you” and “your.” If you are a legal entity, “you” includes your owners.

This disclosure document describes the terms and conditions upon which we currently offer GLO TANNING franchises. We reserve the right, in our sole discretion, to grant, or not to grant, a GLO TANNING franchise to any prospective franchisee, regardless of the stage of the franchise application process or costs expended by the prospective franchisee. There may be instances where we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction.

This disclosure document summarizes certain key features of the System. Descriptions in this disclosure document are required to be brief and are for general informational purposes only. In many cases, the body of the disclosure document contains excerpts or summaries of the Franchise Agreement (attached to this disclosure document as Exhibit B) and other documents. The actual agreements will control the franchise relationship, and you should refer to the exhibits to this disclosure document for complete information.

We urge you to carefully review this disclosure document and all agreements (including a comparison to any prior agreement if a replacement of an existing Franchise Agreement is involved) with persons who can provide you with legal, business, and economic guidance, such as your lawyer and accountant.

Franchisor’s Business Form, Parents, Predecessors and Affiliates

We are a limited liability company formed under Oklahoma law on September 15, 2020. Our principal business address is 12335 N Rockwell Ave., Oklahoma City, OK 73142, and our registered agent is Eric Cavett, 12231 S May Ave., Oklahoma City, OK 73170. We and/or our affiliates do business under our corporate name and under the GLO TANNING name. We sell franchises for the operation of GLO TANNING businesses. Our additional agents for service of process are listed on Exhibit C.

We have been offering GLO TANNING franchises for sale since September 31, 2020. GLO TANNING businesses are tanning salons featuring tanning services, tanning equipment, skin care products and beauty products, together with related services, products, merchandise, and accessories (“Salons”).

We do not engage in any business other than the offer and sale of GLO TANNING franchises. Neither we nor our affiliates operate GLO TANNING Salons, with the exception of our affiliate, Glo Tanning Centers, Inc., which operates company-owned GLO TANNING Salons. The first GLO TANNING Salon was opened in 2010. We have never conducted business in any other line of business or sold franchises in any line of business other than GLO TANNING.

Glo Tanning Centers, Inc., a corporation formed under Oklahoma law on September 12, 2018, is our affiliate. The principal place of business for Glo Tanning Centers, Inc. is 12335 N Rockwell Ave., Oklahoma City, OK 73142. You may purchase equipment, inventory, and supplies from Glo Tanning Centers, Inc. Glo Tanning Centers, Inc. does not now and has never in the past sold franchises in any line of business. Glo Tanning Centers, Inc. is the owner of the System which will be licensed under the Franchise Agreements. Glo Tanning Centers, Inc. owned and operated 15 GLO TANNING Salons (the “Company Salons”) as of September 31, 2020.

We do not have any predecessors.

The Franchise

GLO TANNING Salons use our System, the distinguishing characteristics of which include distinctive exterior and interior design, decor, color scheme and furnishings; uniform standards, specifications, and procedures for operations; quality and uniformity of services and products offered; procedures for inventory, management and financial controls; training and assistance; and advertising and promotional programs, all of which we may change, improve, and further develop in our sole discretion. GLO TANNING Salons operate under the trade name and service mark “GLO TANNING®” and other trade names, service marks, trademarks, logos, and emblems that we designate for use by GLO TANNING Salons (the “Marks”). The Marks, together with the System and the franchise license granted under the Franchise Agreement to operate a GLO TANNING Salon, are referred to collectively in this disclosure document as the “Business.”

Our services and products are used by the general public, with the majority of our clients between the ages of 18 and 44 years old. The majority of annual sales occur between February and June due to the seasonal nature of the tanning business. A GLO TANNING Salon normally has approximately 15-25 tanning beds, including one or more sunless tanning booths that use a special process to tan the skin through the application of tanning solutions to the skin surface. The Salon’s standards of operation (the “Standards”) will be designated in the Franchise Agreement and in our Operations Manual, Training Manuals and Franchise Owner’s Business Manual (collectively, the “Manuals”). We reserve the right to amend these Standards, in our sole discretion, at any time and from time to time including, without limitation, specifying or restricting approved vendors for our inventory, supplies and equipment.

Qualified applicants are offered a Franchise Agreement, which gives you the right to establish one GLO TANNING Salon at a specific location (the “Salon”) within a non-exclusive geographic area (the “Designated Area”). Our current form of Franchise Agreement is attached to this disclosure document as Exhibit B. If you operate a tanning business (and you are not an existing GLO TANNING developer/franchisee) and are seeking to become a GLO TANNING developer and/or franchisee and convert your tanning salon locations to GLO TANNING Salons

(“Conversion Salons”) you will also sign the Conversion Addendum to the Franchise Agreement, which modifies certain provisions of our standard form of Franchise Agreement for existing tanning businesses that convert to the GLO TANNING System. Our current form of Conversion Addendum is attached to this disclosure document as Exhibit D.

Any person who directly or indirectly owns or controls 5% or more of your franchise, and such person’s spouse, must also sign a Personal Guaranty of Franchisee’s Obligations Agreement included as Exhibit B to the Franchise Agreement and any other agreement that we determine.

The terms of the Franchise Agreement that we have previously offered may differ from the terms of the Franchise Agreement offered by this disclosure document. In addition, we have negotiated, and may in the future negotiate, various terms of our Franchise Agreement, including fees over which we have control, based on the number of Salons to be developed, demographic characteristics of the Salons to be developed, competition from, proximity to, and nature of other businesses and other factors that we deem relevant in our sole and absolute discretion.

Competition

The services and related goods offered under this franchise are well-recognized by consumers and widely available from other sources. The market for the franchise’s services and related goods is well-developed. Our services and related goods are sold primarily to individuals. Competition may vary depending on the location of your Salon, i.e., a small community or a larger city. For the most part, you will have to compete with other local tanning salons and other businesses offering indoor tanning services within your trade territory, including fitness and gym facilities that offer tanning. These include independent businesses as well as regional, national, or international chains.

Industry Specific Regulation

You will be required to comply with Food and Drug Administration (“FDA”) health, sanitation and other guidelines and regulations relating to the tanning industry. You will also be required to comply with health, sanitation, and other regulations within your state and local jurisdiction. As examples, some states and local jurisdictions require that tanning bed operators be licensed and/or certified; some have tanning industry related labor regulations, as well as regulations controlling tanning bed and lamp usage, including establishing a minimum age for tanning; and some states may require you to post specific notices regarding the services offered at your Salon. Many states and local jurisdictions prohibit, or place other restrictions on, tanning by minors, and many more states and local jurisdictions have proposed restrictions on minor tanning. Additionally, under the Patient Protection and Affordable Care Act (“PPACA”) enacted into law in 2010, tanning clients are assessed a 10% federal excise tax on all UV tanning services (the “Tan Tax”). You are responsible for collecting and remitting the Tan Tax to the appropriate federal taxing authority.

In 2014, the FDA issued a final order reclassifying sunlamp products and ultraviolet (UV) lamps intended for use in sunlamp products from low-risk (class I) to moderate-risk (class II) devices. The order requires that sunlamp products carry a visible black-box warning on the device

that explicitly states that the sunlamp product should not be used on persons under the age of 18 years. In addition, certain marketing materials for sunlamp products and UV lamps must include additional and specific warning statements and contraindications. In 2015, the FDA proposed additional regulations related to the indoor tanning industry, which if adopted, could result in the following rules: (1) limiting each client to not more than two UV tanning sessions per week; (2) requiring a minimum of 48 hours between UV tanning sessions; (3) imposing a maximum annual limit on the number of UV tanning sessions a client may undertake; (4) imposing a federal ban on tanning by persons under the age of 18; and (5) requiring all clients to sign a form every six months acknowledging the risks of indoor tanning.

Other than these laws and regulations and those relating to businesses generally, we are not aware of any laws or regulations that are specific to the industry in which GLO TANNING franchises currently operate. It is your responsibility to check the laws within your state and local jurisdictions to determine whether any state or local licensing laws or regulations are applicable and to fully comply with any such laws or regulations.

Item 2

BUSINESS EXPERIENCE

Onyi Odunukwe, Co-Founder and Chief Executive Officer

Onyi Odunukwe is co-founder and CEO of GTF and Glow Tanning Centers, Inc. He has served in the role of CEO of Glo Tanning Centers, Inc. continuously since 2010, and as CEO of GTF since its inception. Onyi opened his first tanning salon in 2010, and since then has opened more than 25 additional salons.

Paul Rudnicki, Co-Founder and Chief Financial Officer

Paul Rudnicki is co-founder and Chief Financial Officer of GTC and Glow Tanning Inc. For over 20 years, Paul Rudnicki has been a leader in the tanning industry. Paul is an experienced tanning spa owner and CFO who is driven by growth, expansion and being innovative. He takes pride in being the industry pioneer and providing exceptional tanning and spa services. As a CFO, Paul's goals include expanding Glo Tanning by opening additional locations and offering franchising opportunities.

His passion for the industry can be traced back to his pre-professional days when he took a job at Sandy Beaches Tanning Salon while attending Oklahoma State University. In 2003, Paul purchased the salon when it was about to close its doors. Over the years he grew that business and expanded into eight locations in the Metro Oklahoma area. In 2019 Paul merged with Onyi Odunukwe of Glo Tanning. Paul and Onyi currently own twelve locations in Oklahoma and three in Arkansas.

Denae Blough, Senior Vice President Operations

Denae Blough first joined Glo Tanning Centers, Inc. as a Spa Consultant. With four years of previous industry experience and growing up in the beauty industry, Denae worked her way up quickly to running two salons. After guiding those stores to success in both performance and standard, Denae learned that her passion was in growing, training, and developing individuals both within and outside the salon. With a wide variety of skills, such as functional and successful training, brand knowledge, and managerial experience, she is driven in getting individuals as passionate about GLO TANNING as she is about it. After helping to develop the growth of individuals at all GLO TANNING locations, Denae took over the Director of Operations position, overseeing all GLO TANNING stores are running smoothly and following the standards on a day-to-day basis. She now serves as Senior Vice President of Operations for GTF.

Ali Singletary, Director of Operations

Ali Singletary joined Glo Tanning Centers, Inc. as the Director of Guest Services and Assistant to Director of Operations. After four years of experience with a Luxury Sun Spa in Tampa, Florida, she moved to Oklahoma City to work in the GLO TANNING corporate office.

Ali brought her passion to make an impact in all aspects of GLO TANNING, including building successful career paths for aspiring staff members, promoting self-love in clients to look and feel their best, and to be a valuable member to an ever growing corporate team. Ali has expertise in many areas, a strong commitment to excellence, and a passion for creating innovative techniques encouraging company growth and expansion.

Meghan Rosprim, Director of Marketing

Meghan Rosprim first joined GLO TANNING as our Marketing Specialist. Prior to this, Meghan served as the Social Media and Event Marketing Manager for the Campus Corner Association and as an Art Director with Lindsey + Asp Public Relations and Advertising Agency. With a passion for connecting with people, Meghan graduated from the University of Oklahoma with a B.A. in Advertising, and a Minor in Art. She also worked with the Oklahoma City Thunder as their Corporate Partnerships Intern. Meghan now serves as Director of Marketing for GTF.

Taylor Deatherage, Director of Human Resources

Taylor Deatherage joined Glo Tanning in 2018 as the Director of Human Resources. Taylor has 6 years of experience in the tanning industry. She began her career in 2014 as a Spa Consultant and has worked in many different departments over the years, where she gained experience in diverse areas of the business, including employee relations, customer relations, product and service knowledge, and staffing.

Item 3

LITIGATION

No litigation is required to be disclosed in this item.

Item4

BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

Item 5

INITIAL FEES

The fees described in this Item 5 are payable prior to opening and are not refundable under any circumstances.

Initial Franchise Fee

You must pay us a nonrefundable initial franchise fee in the amount of \$30,000 according to the following schedule: \$10,000 in a lump sum upon signing the Franchise Agreement, \$10,000 within 180 days of signing the Franchise Agreement, and \$10,000 upon generation of \$500,000 in total sales. **Unless otherwise provided by state law in your jurisdiction, the fee will be fully earned by us upon signing of the Franchise Agreement and is not refundable under any circumstances.**

We may, in our sole discretion, waive or reduce the amount of the initial franchise fee for each existing and operating tanning salon that you are converting to a GLO TANNING Salon through a mutually acceptable conversion plan. In determining whether an adjustment is warranted, we consider, in our sole discretion, such factors as the number of existing tanning salons to be converted, the experience of the operator, any prior history with the operator, the impact of market forces in a given location, and such other factors we deem relevant in our sole discretion.

Site Evaluation

We will provide site evaluation assistance for your first Salon at no additional charge. We are not obligated to provide this assistance for any subsequent Salon that either you or an affiliate of yours will operate under one or more Franchise Agreements with us. If we do, you may be required to pay or reimburse our reasonable expenses, including our cost of site analysis software, travel, lodging, and meals.

Inventory

You must purchase an initial supply of inventory and selling supplies, which you may purchase from us, our affiliate Glo Tanning Centers, Inc., or our approved suppliers. You are not required to purchase your initial supply of inventory or selling supplies from us or our affiliates. The cost of your initial inventory and selling supplies is estimated at \$2,000 to \$4,000. We will provide a list of everything else you will sell, which may not be uniformly priced by our approved suppliers for our franchisees.

Training

You (and any other person we deem to be a key employee for your Salon) must attend and satisfactorily complete our initial training program before opening your Salon. For the first Salon that either you or an affiliate of yours opens, we do not charge for training given in a Company Salon for any initial positions, including the initial Area Leader, Leader, Spa Consultant and Spa Assistant(collectively, the “Salon Operators”). You are responsible for all expenses that you and your employees incur for all training programs, including the cost of travel, lodging, meals, and wages. If you have additional attendees, we reserve the right to charge you the then-standard fee charged by us to other franchisees for additional attendees, which is currently \$300 per day of on-site training, minimum of three days. In addition, if you or an affiliate of yours opens one or more additional Salons under one or more Franchise Agreements with us, we will charge you our then-

standard fee for training your additional Salon Operators, which is currently \$300 per day of on-site training, minimum of three days.

Computers and Software

You must purchase all computer hardware, software, and peripherals from us, one of our affiliates, or an approved supplier. The cost of the required computer equipment for a Salon is approximately \$2,000 to \$4,000.

Maryland Franchisees

The State of Maryland, Office of the Attorney General, Securities Division, requires us to defer payment of the initial franchise fee and all other initial payments owed by Maryland franchisees to us until we have completed all of our pre-opening obligations under the Franchise Agreement. If you are a resident of the State of Maryland or will operate your Salon in the State of Maryland (or if the offer is otherwise made or accepted in the State of Maryland), we will defer the payment of your initial franchise fee and all of the other initial fees described above in Item 5 until after we complete all of our pre-opening obligations under the Franchise Agreement.

Item 6

OTHER FEES

TYPE OF FEE	AMOUNT⁶	DUE DATE	REMARKS⁷
Royalty (New Franchisee) ^{1;4}	6.5% of Gross Revenue ² commencing on the first day of operations (“Opening Date”)	Monthly, no later than the 5 th day of each calendar month	Paid to us via debit draft of your account as initiated by us. See Articles 3.2 and 3.5 of the Franchise Agreement.
Royalty (Conversion Franchisee) ^{1;4}	6.5% of Gross Revenue commencing on the first day of operations (“Opening Date”)	Monthly, no later than the 5 th day of each calendar month	Paid to us via debit draft of your account as initiated by us. See Articles 3.2 and 3.5 of the Franchise Agreement and Article 3 of the Conversion Addendum.
Interest ¹	Varies	When underlying obligation is due and payable ³	Paid to us if you are late on any required payments to us. Highest contract rate of interest permitted by law. See Article 3.4 of the Franchise Agreement.
Conversion Team On-Site Services ¹	\$1,000	Ten days after opening of the Salon	Applies to Conversion Salons and is imposed by and collected by us or our affiliate as an offset to any conversion credit or via debit draft of your account as initiated by us.

Additional Training/Development/Onsite Support ¹	Currently \$300 ⁵ per day of training (minimum of three days) plus your transportation and living expenses	Ten days after support is completed	Paid to us or our affiliate. Fee is applicable to each day of additional training or onsite support that you require, or that we require you or your Salon Operators to attend. See Articles 4.1.4.5 and 4.1.4.6 of the Franchise Agreement.
Travel, Lodging, and Meal Expenses	Actual cost	Ten days after we deliver a bill to you reflecting the costs and expenses	Paid to us or our affiliate. See Article 4.1.4.11 of the Franchise Agreement.
Server Merge Fee ¹	Actual cost	Within ten days after the merger is complete (may be prior to opening your Salon)	Applies to Conversion Salons and situations where a franchisee has purchased a competitor's database and requests that the database be converted. The fee is imposed by and collected by us or our affiliate as an offset to any conversion credit or via debit draft of your account as initiated by us. See Article 5 of the Conversion Addendum.
Relocation Costs ¹	Actual costs	Upon our consent to a relocation	You will reimburse us for our costs that we incur in

			connection with an approved relocation of your Salon. See Article 1.5 of the Franchise Agreement.
Auditing Costs ¹	Actual costs	As incurred	You will reimburse us or our affiliate for our auditing costs if we have to audit you because you fail to provide us with required reports on a timely basis or if our audit discloses an understatement of 2% or more. See Article 11.3 of the Franchise Agreement.
Transfer Fee ¹	\$10,000	Concurrently with the transfer	Paid to us upon an approved transfer of the franchise. See Article 12.4.5 of the Franchise Agreement.
Successor Franchise Fee ¹	\$10,000	Concurrently with the grant of a successor franchise to you	Paid to us upon approval of a successor franchise. See Article 13.1.3 of the Franchise Agreement.
Costs and Attorney's Fees ¹	Actual cost	As incurred	The party that loses will reimburse accounting, attorneys', arbitrators' and related fees incurred by the party that wins where an action is

			brought for failing to pay us on time or failing to file reports and other information on time. See Article 17.9 of the Franchise Agreement.
Printing and Shipping Expenses for Marketing Materials ¹	Actual costs	Monthly, no later than the 5 th day of each calendar month	You'll reimburse us or our affiliate. Collected by us or our affiliate via debit draft of your account as initiated by us.
Email/Text Blasts ¹	Actual costs	Monthly, no later than the 5 th day of each calendar month	You must pay to us or our affiliate. Collected by us or our affiliate via debit draft of your account as initiated by us. See Article 3.8 of the Franchise Agreement.
Overdraft/Services Charges ¹	Actual cost	On demand	If any check or draft (electronic or otherwise) is not honored by your bank, you must reimburse us for any service charges or other expenses we incur as a result of such payment.
Music Service	Actual cost	When billed	You must subscribe to our preferred in-store music provider and play the music at your Salon. Billed quarterly. Not

			required for conversion salons.
Software and License Support Fee	\$1,500 software license fee	When billed	You must pay our approved supplier. Collected by us or our affiliate as a passthrough expense via debit draft of your account as initiated by us.
Computer Set Up Fee	Actual cost	When billed	You must pay our approved supplier. Collected by us or our affiliate as a passthrough expense via debit draft of your account as initiated by us.
Computer Monitoring and Help Desk Support	Actual cost	When billed	You must pay our approved supplier. Collected by us or our affiliate as a passthrough expense via debit draft of your account as initiated by us.
Data Analysis Query Requests ¹	Actual cost	When billed	Collected by us or our affiliate via debit draft of your account as initiated by us.
Central Contact Center Start-Up Fee ¹	Actual cost	Within ten days after the set-up is complete (may be prior to opening your Salon)	Imposed by and collected by us or our affiliate via debit draft of your account as initiated by us.
Outbound Calls and Surveys ¹	Actual cost	When billed	Collected by us or our affiliate via debit draft of your account as initiated by us. See Article 3.8

			and Exhibit E of the Franchise Agreement.
Digital Messaging Service ¹	Actual cost	When billed	Collected by us or our affiliate via debit draft of your account as initiated by us.
Online Training Seats for Salon Employees ¹	Actual cost	Monthly, no later than the 5 th day of each calendar month	You must pay to us or our affiliate. Collected by us or our affiliate via debit draft of your account as initiated by us. See Article 3.8 of the Franchise Agreement.
Indemnification Costs	Varies according to loss	On demand	You must indemnify us when certain of your actions result in loss to us. (See Articles 9.7, 14.3, 14.4 and 16.4 of the Franchise Agreement).
Enforcement Costs ¹	Actual cost	As incurred	You must pay our cost of enforcement if we are the prevailing party in an action to enforce your compliance with the Franchise Agreement.

¹Paid to us or our affiliate and are non-refundable.

²As used in this Agreement, the term “Gross Revenue” means all revenue you derive from operating the Business, including, but not limited to, all amounts you receive for merchandise, goods, gift cards or services sold at or away from the Salon and, and whether from cash, check or credit transactions, but excluding all federal, state or municipal sales, use or service taxes (including any so-called “tanning taxes”) collected from clients and paid to the appropriate taxing authority and excluding client refunds, amounts paid by clients as charitable fund raisers, adjustments, credits, and allowances actually made by the Business in compliance with “Methods of Operation” (defined in Article 4.5. of the Franchise Agreement).

³Interest begins from the date any payment is due.

⁴The royalty is determined based on a variety of factors, including whether the prospect is a new franchisee or a Conversion franchisee.

⁵This fee is an estimated minimum.

⁶All amounts are subject to change.

⁷Unless otherwise noted, all fees are per Salon fees.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT WILL BE MADE
Initial Franchise Fee for first GLO TANNING Salon	\$30,000.00	As Arranged	\$10,000 when you sign the Franchise Agreement, \$10,000 within 180 days of signing the Franchise Agreement, and \$10,000 upon generation of \$500,000 in total sales at any one Salon	Us
Initial Franchise Fee for each subsequent GLO TANNING Salon	\$10,000.00	As Arranged	\$10,000 when you sign the Franchise Agreement	Us
Leasehold Improvements	\$100,000 - \$200,000	As Arranged	As Incurred	Approved Suppliers
Signs	\$6,000 - \$12,000	As Arranged	As Incurred	Us, Our Affiliate, or Approved Suppliers*
Tanning Equipment	\$150,000 - \$300,000	As Arranged	As Incurred	Us, Our Affiliate, or Approved Suppliers*

Office Equipment, Furniture, Retail Service Counter and Display and Supplies	\$10,000 - \$20,000	As Arranged	As Incurred	Us, Our Affiliate, or Approved Suppliers*
Initial Retail Inventory	\$2,000 - \$5,000	As Arranged	As Incurred	Us, Our Affiliate, or Approved Suppliers*
Start-Up Marketing	\$5,000 - \$10,000	As Arranged	As Incurred	Advertisers
Insurance	\$2,000 - \$5,000	Lump sum payment of first year premium	Prior to commencing operations	Insurance Companies
Lease Deposits	\$3,000 - \$10,000	Lump sum	Prior to commencing operations	Landlord
Professional Fees	\$500 - \$5,000	Terms vary	As Incurred	Accountants, lawyers, etc.
Your Out-of-Pocket Expenses for Our Trainers/Field Experts to Visit				
Computers and Software	\$2,000 - \$4,000	As Arranged	As Incurred	Us, Our Affiliate, or Approved Suppliers**
Utility Deposits	\$500 - \$5,000	Lump sum	Prior to commencing operations	Utility Companies
High Speed Internet	\$60-\$150			
Pre-Opening Training	\$1,000 - \$2,000			
Security/Surveillance System	\$300 - \$1,500	As Arranged	As Incurred	Security System Vendors
Music System	\$500 - \$1,500	As Arranged	As Incurred	Music System Vendors
Wall System, Interior Signage	\$250-\$500			
License/Bonds	\$500 - \$1,000	Lump sum upon application	Prior to commencing operations	Government Agencies and Bonding Companies
Working Capital for Approximately 3 Months	\$40,000 - \$70,000	Terms vary	Amount varies over 3 months	Varies

Total ²		Does not include real estate costs ³
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²The expenses in this Item 7 are estimates of your initial investment in one newly constructed 16-bed Salon, not including real estate costs, prior to opening the franchise and for the first three (3) months after opening. We cannot guarantee that you will not have additional expenses starting the Business. Your costs will depend on how closely you follow our Methods of Operation, your management skills, experience and business acumen, local economic conditions, the acceptance by local consumers of our approved goods/services, prevailing wage rates, competition, etc. If you are converting an existing tanning facility, some of the above costs will not apply but you may incur costs to bring the property into conformity with the System. Such costs necessarily vary based on the physical condition and age of your facility, fixtures, equipment, furnishings, furniture, signage, and similar items already present at the facility. Requirements to bring an existing location into conformity will be outlined via a conversion project plan. We make no representation as to whether any of the estimated investment amounts are refundable. However, amounts payable to us are non-refundable. Amounts payable to a third party may or may not be refundable depending on your agreement with the third party.

³ We make no estimate regarding real estate acquisition costs. We do not require you to acquire real estate, other than your lease, to operate your Salon.

*You are not required to purchase the products or services in this category from us or our affiliates.

**You are required to purchase computer hardware and peripherals from us or our approved suppliers. You are required to purchase computer software from our approved suppliers, and not from us or our affiliates.

As used in this item, “As Arranged” means as agreed upon between you and the supplier or vendor, and “As Incurred” means as you incur the applicable expense.

We relied upon our experience in opening Company Salons in compiling the estimates in the chart above. You should review these figures carefully with a business advisor, accountant, and attorney before making any decision to purchase a franchise.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases from Us or Our Affiliates

While you generally have no obligation to purchase or lease any inventory or supplies from us or our affiliates, certain franchisees may determine that they would like to purchase both the initial inventory and selling supplies for their new Salons, along with inventory and selling supplies for their existing Salons, from one of our affiliates. In addition to these voluntary purchases, there are some exceptions where you are required to purchase from us or our affiliates, as follows.

You must purchase all computer hardware, software, and peripherals from us or one of our approved suppliers. The computer software and hardware we require you to use is not our proprietary property.

Required Purchases from Approved Suppliers or in Accordance with Our Specifications

You must comply with our System and Standards for all supplies, materials, fixtures, furnishings, equipment, and other products used in or offered for sale at the Salon. Currently, we require that you purchase the following from our approved suppliers: tanning equipment, sunless solutions, tanning lotions, tanning lamps, tanning acrylics, wall systems, ceramic tile, counter systems/shelving, in-salon music, POS software, IT support, advertising and promotional materials, digital signage system, credit card processing integration, and mystery shop audits.

We may from time to time develop proprietary private label equipment, systems, and products that are an integral part of our System and Operating Standards, and you must comply with all our specifications and requirements relating to incorporating and using such equipment and products in the operation of the Business, as we may require (Franchise Agreement Article 2.5). This requirement currently includes an audio system in each location with a custom GLO TANNING promotional loop and may include in the future a proprietary client web application.

Approved suppliers and our Standards are generally included in our Manuals or in other communications shared with franchisees. If we have approved suppliers for any item, you must obtain the item from our approved suppliers. Approved suppliers and our Standards are determined based on the current needs for operating the Business. We evaluate approved suppliers based on price, service, quality, and other commercially reasonable factors and benchmarks. The identity of approved suppliers and these specifications are updated periodically in writing by modifying the appropriate pages of the Manuals. We will send you modified pages through the United States Mail or by any other commercially reasonable means, such as by electronic mail. We reserve the right to limit the number of vendors and suppliers for products, goods, supplies, fixtures, and equipment. We also reserve the right to designate a single source of supply for certain products and services. We or one of our affiliates may be that single source.

Our reason for these requirements is to ensure uniformity and consistent quality in all GLO TANNING Salons for the benefit of the System and Salon operators. The items that you purchase

from our approved suppliers may not be uniformly priced for our franchisees. Neither we nor our members, officers, managers, employees, or directors own any interest in our approved suppliers aside from Glo Tanning Centers Inc.

Supplier Approval Process

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 a written request to us for approval. Similarly, if we require you to use a particular item or brand of equipment, and you wish to substitute a different item or brand, you must request our approval in writing. Subject to our prior written approval, you may contract with alternative suppliers; however, you must not purchase or lease the item until and unless we have approved the item and/or supplier in writing. Nothing requires us to approve any particular supplier. We will provide you notice of approval or disapproval of your supplier request within 180 days of your initial request. Currently, we have not established fees or specific procedures to seek approval to purchase from an alternative supplier. We will judge the product or service of alternative suppliers on a case-by-case basis, based on, among other factors, quality and compatibility with our Operating System and Standards. We may revoke the approval of a supplier that fails to continue to meet standards that are at least as equivalent to the standards of our approved suppliers.

Purchasing Arrangements

We have negotiated certain purchase arrangements (including price terms) with suppliers for the purchase of certain items, such as services, construction materials, tanning equipment, sunless solutions, tanning lotions, tanning lamps, audio and other supplies, equipment and inventory that are available to franchisees. We do so to promote the overall interests of the System and our interests as the franchisor. There currently are no purchasing or distribution cooperatives for the System.

The following table contains our estimates regarding the things we require you to purchase or lease from our approved vendors and suppliers relative to your total initial investment and annual operating expenses (not as a percentage of gross sales).

GOODS/SERVICES	PERCENTAGE OF REQUIRED PURCHASES TO TOTAL INITIAL INVESTMENT	ESTIMATED PERCENTAGE OF TOTAL ANNUAL OPERATING EXPENSES
Computers and Software	1% to 2%	<1%
Tanning Equipment and sunless solution (including tanning lamps and acrylics)	36% to 49%	4% to 8%
Other Equipment, Furniture, Supplies and Services (including wall systems, ceramic tile, counter	16% to 26%	3% to 4%

systems/shelving, in-salon music, IT support, advertising and promotional materials, digital signage system, credit card processing integration, mystery shoppers and magazine subscriptions)		
Inventory (tanning lotions)	1%	5% to 9%
Total	54% to 78%	14% to 24%

Revenues Received By Us or An Affiliate In Consideration of Your Purchases

We do not currently receive rebates, discounts, and other similar payments from our designated suppliers for purchases by franchisees, but we reserve the right to negotiate such supplier relationships in the future.

We do not provide other material benefits to you, such as special renewal privileges or additional franchises, based on your use of our designated or approved sources.

We will terminate your franchise if you purchase services or goods that are (i) not according to our Standards and specifications; (ii) have not been approved by us; or (iii) not from our approved suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	ARTICLE NUMBER IN FRANCHISE AGREEMENT	ITEM NUMBER IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	2.1 and 2.2	7 and 11
b. Pre-opening purchases/leases	2.4, 2.5 and 3.6	7 and 11
c. Site development and other pre-opening requirements	2.3 and 2.6	6, 7 and 11
d. Initial and ongoing training	4	11
e. Opening	2.6, 2.7, and 2.8	11
f. Fees	1.5, 2.3, 2.8, 3.1, 3.2, 3.4, 3.5, 3.7, 4.1.4.5, 4.1.4.6, 4.2, 4.4.8, 4.5, 7.1.3, 8.1.18, 8.13,	5 and 6

	9.1, 9.4, 11.3, 12.4.5, 13.1.3, 17.9 and Conversion Addendum	
g. Compliance with standards and policies/Operations Manual	2.5, 4.5.and 8	11
h. Trademarks and proprietary information	4.5, 5 and 6	13 and 14
i. Restrictions on products/services offered	2.4, 2.5, 4.5 and 8	16
j. Warranty and customer service requirements	8.1.18	11
k. Territorial development and sales quotas	N/A	12
l. Ongoing product/service purchases	2.5, 3.6 and 8.9	8
m. Maintenance, appearance and remodeling requirements	2.3, 8.1, 8.5 and 8.8	11
n. Insurance	2.6.5, 8.1.15 and 8.12	7 and 8
o. Advertising	2.8, 5.2 and 9	6 and 11
p. Indemnifications	9.7, 14.3, 14.4 and 16.4	6
q. Owner's participation, management, staffing	1.4, 1.6, 4.1 and 4.2	11 and 15
r. Records and reports	3.2, 8.1.14, 9.5.4and 10	6
s. Inspections and audits	8.13 and 11	6 and 11
t. Transfer	12	17
u. Renewal	13.2	17
v. Post-termination obligations	15 and 16.4	17
w. Non-competition covenants	7.1 and 15.5	17
x. Dispute resolution	17.12, 17.13, 17.14, 17.15, and 17.17	17
y. Cyber-Event/Identity Theft	8.6	11

Item 10

FINANCING

Neither we nor any affiliate of ours generally offers any direct or indirect financing to you, guarantees any note, lease, or obligation of yours or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

Item 11

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

Franchisor Assistance

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

Pre-Opening Obligations

Our obligations prior to commencing operation of your GLO TANNING franchise include (with cites to relevant Articles of the Franchise Agreement):

1. Granting you a franchise to operate a GLO TANNING Salon within an area at the time you sign the Franchise Agreement (Article 1.6).
2. Allowing you to use our Manuals and instructing you in "Methods of Operation" (Article 4.5 and 8). You may view our Manuals at a mutually agreed upon time and location before purchasing the franchise, provided that you sign a confidentiality agreement, attached as Exhibit F, in which you agree that you will not disclose any information that we provide to you.
3. Approving your choice of a proposed location (Article 2.1). You will not pay the initial franchise fee and a franchise agreement will not be entered into between you and us unless and until a proposed location is approved. Our concerns regarding your choice of a location for your GLO TANNING franchise include general location and neighborhood, demographics, zoning, traffic patterns, parking, overall interior and exterior size, and lease terms. Generally, we do not own the premises you will lease and there is no time limit for us to approve a location.
4. Receiving a copy of the lease for your Salon (Article 2.2).
5. Providing you with specifications and preliminary layouts for your GLO TANNING Salon (Article 2.3).
6. Providing you, in our discretion, with on-site, in-salon training in your initial Salon when you open the Salon, some of which may occur after the Salon opens for business (Article 4.1.2).

7. Providing one of your Supervisors for your initial Salon training through an online learning platform. Training may also be conducted at one of our Company training Salons (Article 4.1.3).

8. Providing you with development consultation and guidance before you convert or open your Salon (Article 4.3).

9. Providing you with general guidance concerning the Business (Article 4.3).

10. Providing you standards, specifications and operating procedures and methods utilized by the Business (Article 8).

11. Providing you with guidance about the fixtures, furnishings, equipment, signs, products, materials and supplies you must buy (Article 2.5).

12. Providing you with guidance concerning a grand opening advertising and promotional program (Article 4.3.3).

13. Providing you with general guidance regarding employee training (Article 4.3.4).

14. Providing you with general guidance regarding use of authorized software (Article 4.3.5).

For a new tanning salon location, we estimate the length of time between the signing of the Franchise Agreement or the first payment of consideration for the GLO TANNING franchise and the commencement of operations of a GLO TANNING Salon is one hundred eighty (180) days. Things that may affect the time period include your ability to obtain a lease, financing, building permits, compliance with zoning and other local ordinances, weather conditions, shortages and delayed purchases or installations of equipment, fixtures, or signs. You must commence operating the franchise within (i) ninety (90) days after signing a lease for the Salon location or (ii) ten (10) days after completion of construction at such location, whichever is later. If, in our judgment, you unreasonably delay opening your Salon or do not diligently pursue your obligations under your Franchise Agreement, we may terminate your Franchise Agreement.

Post-Opening Obligations

The additional guidance we may provide to you during the operation of your GLO TANNING franchise includes (with cites to relevant Articles of the Franchise Agreement):

1. Providing you with a telephone consultation during the times as are outlined in the Manuals (Article 4.4.1).

2. Providing you with buying advisory services where we may provide you with lists of sources and approved suppliers for our products, merchandise, accessories, services, fixtures, furnishings, equipment, signs, etc. (Article 4.4.2).

3. Providing you with wholesaling services where we may ourselves act as an approved or designated source for products, merchandise, accessories, fixtures, furnishings, equipment, signs, etc. (Article 4.4.3).

4. Providing you with ongoing marketing programs (Article 4.4.4).

5. Providing you with newsletter services where we may inform you periodically about the current events in the GLO TANNING franchise program (Article 4.4.5).

6. Providing you with meetings, where we may meet with you and other GLO TANNING franchisees for business or social purposes (Article 4.4.6).

7. Providing you with research and development regarding Methods of Operation (Article 4.4.7).

8. Periodically providing you with suggested maximum and minimum prices that you may charge for products and services offered by the Business (Article 8.2).

At your request, we will furnish additional guidance and assistance and, in such a situation, may charge our then-current per day fees and charges. If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with the training, including per day charges and travel and living expenses for our personnel, will be your responsibility (Article 4.4.8).

We may, in our discretion, provide you or your affiliates in-person, on-site training in connection with the opening of you or your affiliates' first Salon (Article 4.1.2).

We have the right under the Franchise Agreement to periodically require you to remodel your Salento remain consistent with our then-current system-wide Salon design standards (Article 8.5). This is in addition to your obligation to maintain your Salon in good repair. You will not be required to remodel your Salon within five years of either: (i) your initial opening for business; or (ii) the completion of a remodeling required under the Franchise Agreement. We will decide the scope of remodeling that is required, and you will need to submit plans to us for review and approval before commencing the remodeling. You will be required to use an approved architect for any remodeling, and you will have a period of 180 days to complete the remodeling after we approve your final plans.

Advertising and Marketing

You agree to spend annually for advertising and promotion of the Business not less than three percent (3%) of your Gross Revenue ("Minimum Advertising Expenditure") (Article 9.1). You may only use advertising material that is approved by us in our sole discretion. We produce most advertising materials used by our franchisees, but you will be allowed to prepare and use your own advertising materials if they are approved by us before use.

We also reserve the right to require the establishment of local advertising cooperatives to which franchise and Company Salons in the area will be required to contribute at the same rate (Article 9.5). Your Local Advertising Cooperative Contribution (as defined in Article 9.5.2), if any, may be counted towards your 3% Minimum Advertising Expenditure that is required under the Agreement. The Local Advertising Cooperative will be responsible for administering the cooperative and each Salon contributing to the fund will have one vote on co-op matters. The Local Advertising Cooperatives will operate under written governing documents adopted at the time the co-op is established, and those documents will be available for review by you and all Salons contributing to the fund. The Local Advertising Cooperatives will be required to prepare annual or periodic financial statements, available for review by members of the co-op.

Franchise Advisory Council

We may establish a Franchise Advisory Council (“FAC”) composed of franchisees and at least one corporate representative. The purpose of the FAC would be to facilitate open lines of communication between franchisees and us. Franchise members of the FAC will be elected or appointed annually, on a staggered schedule, to serve a two-year term. Only franchisee in good standing may serve on the FAC, and FAC members must adhere to such requirements of participation as we may establish from time to time. The Bylaws governing the FAC may be amended from time to time by us after prior notice to and consultation with the FAC. We have the power to form, change, or dissolve the FAC.

Computer and Point of Sale Systems: Online App

We require you to use approved point of sale (“POS”) software in the operation of your Salon. You will use this system to generate receipts for client purchases, track your sales at the franchise, and maintain information required for accounting records. The current cost of purchasing the cash register/point of sale system license for your Salon is \$1,500, and the annual support fee for support and maintenance of the cash register/point of sale system is currently \$350.

We also require you to use a standard, approved computer with designated software and peripherals, which meets our minimum specifications, as defined in our Manuals. You will be required to have a minimum of two computer workstations at the counter. The current hardware and software cost for a 2-station POS system configuration is approximately \$7,000 - \$10,000, and is subject to change as hardware and software costs change. You will pay our designated IT vendor a one-time set-up charge to install the cash register/point of sale system software and configure the system for daily operation. The current set-up charge is \$600.

You will use a standard, approved computer to communicate with us through the Internet, as well as to create correspondence and records related to the franchise. It will be your responsibility to get secure, high-speed broadband Internet Service Provider (“ISP”) access, and to set up a link and e-mail account through which you can communicate with us. The software and hardware are not proprietary. We approve Information Technology suppliers for software and support. You will contact our approved suppliers for service and maintenance of your computer hardware and software and peripheral equipment. Our approved suppliers have their own policies for service and maintenance as well as hardware and software upgrades. You agree to maintain at

your own expense a computer system that conforms to the policies, requirements, and formats we require, including updating all internet communication links, computer software and hardware as required by us from time to time. There are no contractual limitations on the frequency or cost of such hardware, software and internet communication upgrades required to conform to our policies and System Standards, but we will generally not require you to make such upgrades when the investment cannot, in our reasonable judgment, be amortized during the remaining term of the Franchise Agreement. We have the right, as often as we deem appropriate, including on a daily basis, to access your cash register/point of sale system and other computer systems that you are required to maintain in connection with the operation of the GLO TANNING franchise and to retrieve all information relating to the GLO TANNING franchise's operations (Article 11).

You are required to use your best efforts to protect your clients against a cyber-event, identity theft or theft of personal information. You must at all times comply with the Payment Card Industry Data Security Standards ("PCI Compliant") (Article 8.6) and other applicable data privacy and data security rules, regulations, policies, and guidelines. In the event of any cyber-event, identity theft, or theft of personal information of a client due to any security breach by you, your agents, or your employees, regardless of whether you were PCI Compliant, you will be required to pay us up to a maximum of \$200 per record (or such higher amount as we specify from time to time), to offset our out-of-pocket costs and expenses relating to any such cyber-event or security breach (including our costs incurred in responding to and notifying clients).

We may develop and launch a proprietary online web application accessible to existing and potential new clients through our consumer website, www.glotanning.com or via mobile apps. Through the application, clients will be able to manage their account, sign up for memberships, purchase new services, check on Salon wait times and put themselves in line for tanning sessions. You will be required to participate in the application and services offered under the mobile application as part of our Methods of Operation (Article 8).

Training

Our current training program consists of an online learning platform that is used to train all GLO TANNING Leaders, Area Leaders, Spa Consultants, and Spa Assistants.

Franchisee Training

We give a mandatory franchisee training program (the "Franchisee Training Program") course online initially. The Leader for your first Salon, or your Area Leader if you are opening more than one Salon, may be required to attend training in person, which would be completed at one or more Company Salons. The Franchisee Training Program is required to be completed to our satisfaction by your day-to-day operator (Leader), and your Spa Consultants on the floor. There is no cost for you or your employees to participate in the Franchisee Training Program, other than your travel-related expenses and employee compensation (for the trainee).

SPA TRAINING PROGRAM

Subject	On-The-Job Training	Location
Spa Consultant Training	Forty (40) Hours	Online with Self-Study
Leader Training	Forty (40) Hours	Online / Possibly Company Training Salon
Area Leader Training	Forty (40) Hours	Online / Possibly Company Training Salon

The training is held on an as-needed basis for both franchisees and employees/managers of Company Salons. The training is usually conducted online but may also occur at one or more Company Salons in the field. We do not maintain physically separate training facilities for other businesses operated by our affiliates.

The nature of the instructional material is procedural and policy-based training, and it is customized for each specific role. The training process and training materials are subject to change in our sole discretion.

Trainer Certification

We will train and certify all initial roles within a franchise group, which must include a Leader and a Spa Consultant, and may include an Area Leader, to the extent such roles exist at the franchise group (collectively, the “Salon Operators”). You must have at least one trained Leader. All training will be performed online and may occur at Company Training Salons in the field at no cost to you other than your travel related expenses and employee compensation (for the trainee). Once each role is established, trained, and certified you will perform training and certification for the established roles for all of your and your affiliates’ additional Salons that you may open under one or more Franchise Agreements with us.

Notes

1. Our training methods and materials are subject to change.
2. All training programs are mandatory for at least one Leader and Spa Consultant. If a Leader does not satisfactorily complete the training requirements and programs, they must do so within 60 days after notification from us.
3. If the Leader is replaced at any time (or you or your affiliates open additional Salons), you must train the new Leader using a certified training Leader. If you do not have a certified training Leader in your franchise organization, then the new Leader must receive the training we require for certified training Leaders. This training will be provided at no cost to you, but travel related expenses and employee compensation (for the trainee) are your responsibility.
4. If the managing owner or Supervisor at any time vacates their position, then a new managing owner or Supervisor must be designated within 90 days. The new managing owner or Supervisor must complete the training program within 120 days of the vacancy. The cost of additional training is currently \$300 per day (minimum of three days) plus your travel related expenses and employee compensation (for the trainee).
5. We have the right to charge a reasonable fee for any training we provide above and beyond initial certification of roles and for the training related to one or more additional Salons

that you or your affiliates open under one or more Franchise Agreements with us. The cost of additional training is currently \$300 per day (minimum of three days), plus your travel related expenses and employee compensation (for the trainee).

6. We may require you and your Leader and Spa Consultants to attend additional training. We have the right to charge an additional fee for any additional training. The cost of additional training is currently \$300 per day (minimum of three days), plus your travel related expenses and employee compensation (for the trainee).

7. You are responsible for all expenses that you and your employees incur for all training programs, including the cost of travel, transportation, lodging, meals, and wages.

8. You are obligated to utilize all current training programs for all employees of your franchise.

9. You may request additional training. If possible, we will accommodate any additional training requested. All additional training is at your cost and includes travel, lodging, meals, and training fees. The cost of additional training is currently \$300 per day (minimum of three days) plus your travel related expenses and employee compensation (for the trainee).

10. Our training materials are proprietary and will only be provided to you or your employees during such training as may be required or requested.

No additional training programs are required other than those described in Item 11.

Item 12

TERRITORY

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

Franchise Agreement

By the terms of the Franchise Agreement, we will grant you rights to operate a single GLO TANNING Salon whereby, except in the limited circumstances outlined below, we will not locate another franchise, nor ourselves directly or indirectly own or operate, another GLO TANNING Salon within a two (2) mile radius of the Salon (the "Area").

We have the right to establish GLO TANNING Salons anywhere outside your Area. We also have the right to sell our related products, whether or not using the Marks, through distribution channels other than GLO TANNING Salons, including through catalogs distributed within your Area, or through our Internet web site. We will not owe you any compensation for any such product orders accepted from clients located inside your Area.

You must operate the GLO TANNING Salon only at the site identified in your Franchise Agreement. You cannot relocate your Salon without our consent. If you lose possession of the site through no fault of your own, you may apply to us for our approval to relocate your Salon to another site. If we consent, which consent is in our sole and absolute discretion, you must comply with our reasonable site selection and construction procedures. Our consent to any relocation will

be based on various factors, including the proposed site's demographic characteristics, traffic patterns and parking, competition from other businesses in the area and other relevant factors.

The franchise is only for a GLO TANNING Salon at the site identified in your Franchise Agreement and does not give you any rights to operate or offer and sell any of the products or services described in the Franchise Agreement at or from any other location or distribution channel. We and our affiliates can operate and can grant franchises to others to operate GLO TANNING Salons under the Marks (or under other trade names, service marks and trademarks) at any location other than your Salon and outside the Area. These outlets may compete with your GLO TANNING Salon.

Among other things, this means that we and our affiliates may:

- (1) Grant other licenses for use of the System and the Marks;
- (2) 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 you;
- (3) Advertise and promote the System without restriction;
- (4) Operate, and license others to operate, retail tanning salons under the Marks, or under other names or marks, at any location other than the Area; and
- (5) Engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, operation, license, and sale of tanning products and services under the Marks, or under other marks through any method of distribution, including, Internet, catalog sales, telemarketing, or other direct marketing and other tanning facilities regardless of the proximity to, or the competitive impact on your GLO TANNING Salon, without compensation to you.

Businesses Offering Similar Products or Services

Neither we nor our affiliates have any plans to sell franchises under a different trademark within the current and next fiscal year.

Item 13

TRADEMARKS

The GLO TANNING trademark is the principal trademark you will use under license from us through the Franchise Agreement, but we have used and registered other trademarks and will continue to do so from time to time. The trademarks you will use under license from us are referred to in this document as the “Marks”. The Marks listed below are referred to in this document as the “Primary Marks”. We have certain legal rights with respect to the GLO TANNING® trademark and other Marks for which we have obtained a Principal Register federal registration with the United States Patent and Trademark Office (“USPTO”).

Our Primary Marks are:

TRADEMARK	REGISTRATION OR APPLICATION NUMBER	DATE OF REGISTRATION OR APPLICATION	REGISTER
GLO TANNING (word mark)	6,139,201	May 10, 2019	Principal
GLO TANNING (stylized mark)	6,139,202	May 10, 2019	Principal

The Primary Marks are registered with the USPTO by our affiliate Glo Tanning Centers, Inc. Our affiliate has filed all affidavits required to maintain our registrations of the Primary Marks. There are currently no effective adverse determinations of the USPTO, Trademark Trial and Appeal Board, or any state trademark administrator or court that materially affect our rights to the Primary Marks. There are no pending infringement claims or opposition or cancellation actions concerning the Primary Marks. There is no pending material litigation involving the Primary Marks.

Except as stated in this Item 13, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Primary Marks in a manner significant to the GLO TANNING franchise. Other than a limited number of markets where a third party may assert prior use of the GLO or similar name, we have no actual knowledge of greater prior rights or infringing uses that could significantly affect your use of the Primary Marks in the state where your GLO TANNING franchise may be located.

You must follow our operating procedures when you use the Marks. You may not use any Mark as part of your corporate name. You must follow our instructions for identifying yourself as a franchisee and for filing and maintaining the required trade name or fictitious name registrations. You must sign any documents that 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 owners or affiliates may take any action that would prejudice or interfere with the validity of our or our affiliate's rights with respect to the Marks and may not contest the validity of our or our affiliate's interest in the Marks or assist others to do so. You may not use the Marks in the event you wish to advertise the sale of your franchise. You will be required to stop using the Marks if

we ask you to, for any reason. See Article 5.4 of the Franchise Agreement for details on the limited costs that we will reimburse in the event of such a request.

Our rights to the Marks come from a non-exclusive perpetual license between us and our affiliate Glo Tanning Centers Inc. (the “Intercompany License”). In the Intercompany License, our affiliate grants us the right to use the Marks for the purpose of sub-licensing such Marks to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License can be terminated only for material breach of the Intercompany License and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner significant to you.

Our rights to the System and know-how come from a non-exclusive perpetual license between us and our affiliate Glo Tanning Centers Inc. (the “Intercompany Agreement”). In the Intercompany Agreement, our affiliate grants us the right to use the know-how for the purpose of sub-licensing the System to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany Agreement can be terminated only for material breach of the Intercompany Agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect that significantly limit our rights to use or license the use of the System in any manner material 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 Controlling Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any such infringement, challenge or claim. We or our affiliate have sole discretion to take any action that we feel is appropriate and the right to exclusively control any litigation or USPTO (or other) proceeding, resulting from any claim of infringement or any challenge or claim concerning any of the Marks. You must sign 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 affiliate in such litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks. We agree to indemnify you against, and to reimburse you for, all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark in accordance with the Franchise Agreement and, except as provided in the Franchise Agreement, for all costs you reasonably incur in defending any such claim brought against you, provided you have timely notified us of such claim and provided further that you and your owners and affiliates are in compliance with the Franchise Agreement and all other agreements entered into with us or any of our affiliates. We are entitled to prosecute, defend and/or settle any proceeding resulting from your use of any Mark under the Franchise Agreement, and, if we undertake to prosecute, defend and/or settle any such matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

We have the right to substitute different trade names, service marks, trademarks, and indications 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 stop using 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 claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, software bulletins, newsletters, training, advertising, and promotional materials (the “Materials”). Except for your use of the proprietary information contained in our Materials, as permitted under the Franchise Agreement, you do not receive the right to use any item covered by a patent, copyright or another proprietary right. The Manuals and the specifics on your use of the Manuals are described in Article 4.5 of the Franchise Agreement. Although we have not filed an application for copyright registration, we claim copyright protection for the Materials we provide you for your use or for public dissemination. The Materials may also include proprietary information and publications that we own or have acquired under license from a third party and everything concerning our Methods of Operation. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the Materials. We have no duty to defend or indemnify you against any copyright related claims arising from your use of the Materials or any other written material we provide to you. We or our affiliate have sole discretion to take any action that we deem appropriate and the right to exclusively control any litigation or other proceeding, arising out of any alleged infringement, challenge or claim concerning any of the Materials.

You and we will jointly own all right, title, and interest in and to all client lists and client information regarding all past and present clients of the Salon (the “Client Information”). However, if the Franchise Agreement is terminated following a default by you, your rights in the Client Information will automatically terminate and you must deliver all Client Information in your possession to us and we will be the sole owner of all Client Information. For Conversion Salons, Client Information includes information regarding clients of your business prior to and after the conversion to a GLO TANNING Salon. We may use the Client Information in perpetuity for any purpose whatsoever without compensation to you.

If you, your employees, or your owners develop any new concept, process or improvements relating to GLO TANNING you must promptly notify us, give us all necessary information, and sign any assignments or other documents we request to assist us in securing intellectual property rights in the concepts, processes, or improvements, all without compensation. These concepts, processes or improvements will become our property, and we may use or disclose it to other operators as we determine appropriate.

We do not own any rights in or to any patents, nor do we have any patent applications pending, that are material to the franchise.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You (or your managing owner) agree to (i) personally manage and operate the franchise as your primary occupation, or (ii) hire and delegate your (or your managing owner's) authority and responsibility with respect to management and operation to an individual who will personally manage and operate the franchise as his or her primary occupation (each, a "Supervisor"). You, your managing owner or your Supervisor must, at all times, faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously operate, and exert your best efforts to promote and enhance the Business and not engage in any other business or activity that conflicts with your obligations to operate the Business in compliance with the Franchise Agreement. Each of your Controlling Principals must be bound by the terms of the Franchise Agreement and personally guarantee performance of all agreements.

If the franchisee is a business entity, you must designate, and we must approve, a managing owner to operate the franchise. There is no required amount of equity interest that the managing owner must have in the franchise. If you elect to hire a Supervisor to operate the franchise, the Supervisor must successfully complete our initial training program and must be bound by the confidentiality and noncompetition provisions of the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your franchise in accordance with our Manuals and our Methods of Operation. Our Manuals and our Methods of Operation contain mandatory and suggested specifications, standards, operating procedures and rules that we specify periodically for the operation of the Business, (i.e., the purchase of supplies and other products, membership, transfers etc.), and information relating to your other obligations under the Franchise Agreement and related agreements. The Manuals may be modified by us periodically from time to time to reflect changes in our Methods of Operation.

You may only offer and sell those services and related goods that we have approved. You must offer all services and related goods that we designate as required for all franchises. We have the right to change the types of authorized services or goods offered by your franchise. Your refusal to comply with these requirements may result in termination of your Franchise Agreement. There are no limits on our right to change the types of authorized goods or services.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	1.5.	Term is 10 years.
b. Renewal or extension of the term	13.	A successor franchise may be granted for a period of 10 years.
c. Requirements for you to renew or extend	13.1	Sign a new franchise agreement, potentially remodel leasehold and pay a successor franchise fee of \$5,000. You may be required to sign a contract with materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	14.1	You may not terminate the Franchise Agreement except in cases where we have failed to cure a material breach of the Franchise Agreement within 60 days after we have received written notice of the material breach.
e. Termination by us without cause	14.2	Material, incurable breaches of Franchise Agreement. We reserve the right to exercise certain alternatives to termination of the Franchise Agreement (see Sections 14.3 and 14.4 of the Franchise Agreement)
f. Termination by us with cause	14.2	Material, uncured breaches of Franchise Agreement. We reserve the right to exercise certain alternatives to termination of the Franchise Agreement (see Sections 14.3 and 14.4 of the Franchise Agreement)

g. "Cause" defined – curable defaults	14.2	You may cure certain deficiencies in the operation of your franchise (i.e., payment of overdue amounts to us, submission of required reports, violation of health, sanitation or safety laws, etc.) before we will terminate the Franchise Agreement.
h. "Cause" defined – noncurable defaults	14.2	Certain deficiencies in the operation of your franchise (i.e., you or your owners are convicted of a felony, you disclose Confidential Information in violation of the Franchise Agreement, you made a material misrepresentation or omission in connection with your purchase of the franchise, etc.) are inherently incurable and will result in termination of the Franchise Agreement.
i. Your obligations on termination/non-renewal	15	Pay us everything you owe us, cease using the Marks, and follow our termination procedures.
j. Assignment of contract by us	12.1	Fully transferable by us.
k. "Transfer" by you - definition	12 (except for 12.1)	All transfers require our approval. As used in the Franchise Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you or the franchise. (Article 12.5. provides for your transfer of the franchise to a wholly-owned entity and we will approve such a transfer if you are in full compliance with the conditions contained in Article 12.4.)

l. Our approval of transfer by you	12.4	Our approval of any transfer is required prior to your transferring the franchise to a third party. However, we will not unreasonably withhold our approval where the proposed transferee meets all our conditions for approval.
m. Conditions for our approval of transfer	12.4	The proposed transferee must meet our standards as to character, financial resources, and willingness to assume the existing obligations under the Franchise Agreement, and be willing to sign our then-current form of Franchise Agreement, non-competition and release agreements (See Exhibit H Sample General Release). You must pay our transfer fee of \$5,000 and our reasonable legal fees, administrative costs and out-of-pocket expenses incurred. The transferee may be required to sign a contract with materially different terms and conditions than your original Franchise Agreement.
n. Our right of first refusal to acquire your Business	12.10.	We have the right of first refusal for all third-party <i>bona fide</i> offers to you to purchase the Business.
o. Our option to purchase your Business	15.7.	We have a 60-day option to purchase your Business upon termination or expiration of the Franchise Agreement.
p. Your death or disability	12.6., 14.2.9.	The franchise must be transferred to a third party within 6 months of your death or disability.
q. Non-competition covenants	7	You may not have a direct or indirect during the term of the franchise interest in a Competitive Business while you are a franchisee.
r. Non-competition covenants after the franchise is terminated or expires	15.5	After termination or expiration of the franchise agreement, you may not operate a similar type of

		business for a period of 24 months (i) at your initial location, (ii) at any additional location you open, or (iii) within 5 miles of any location you open or any other GLO TANNING Salon.
s. Modification of the agreement	17.16.	The Franchise Agreement may not be modified except by written agreement signed by you and us.
t. Integration/merger clause	17.18.	Only the terms of the franchise agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	17.12.	All issues except for money you owe us or our affiliates, or claims related to the use of the Marks, or the noncompetition covenants, must be submitted to arbitration.
v. Choice of forum	17.14.	Oklahoma, subject to state law (see state specific addenda attached to this disclosure document as Exhibit E)
w. Choice of law	17.13.	Oklahoma, subject to state law (see state specific addenda attached to this disclosure document as Exhibit E except for arbitration, which is covered by the Federal Arbitration Act)
x. Waiver of jury trial	17.15.	By all parties with specific exceptions.

Item 18

PUBLIC FIGURES

At this time, there are no public figures involved in the sale of this 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 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.

FRANCHISE LOCATION AVERAGE PERFORMANCE

The representations made below is an historic financial performance representation of a subset of company owned GLO TANNING ® locations that operated continuously through all of 2021. Company salons are generally located in high profile, accessible shopping centers and have been in operation for an average of 2.5 years as a Glo Tanning. Company salons are similar in operation to the franchised salons offered under this disclosure document; however, there are differences. A new franchisee's results will differ from these results primarily because start-up salons traditionally experience lower revenues and higher initial costs than company salons that have been operating for some time. In addition, certain fees that you must pay to us under the Franchise Agreement, and other differences between the expenses of a franchised salon and a company salon, are not reflected below. Those fees and expenses include initial franchise fees and ongoing royalties.

The total number of franchised outlets that existed at the beginning of 2021 and operated continuously through 2021 was 24, which equates to approximately 55% of the total franchised locations that were operating at the end of 2021.

The average gross sales for all the franchised outlets in continuous operation for 2021 was \$727,701. Your individual results may differ. There is no assurance that you will sell as much.

The first table shows the average gross sales in 2021 of all outlets operating continuously during 2021, broken down into quartiles from highest (Quartile 1) to lowest (Quartile 4), and the average profit in 2021 of all franchised outlets operating continuously during 2021, broken down into quartiles from highest to lowest. The second table shows the average number of unique customers for all franchised outlets operating continuously during 2021, broken down into quartiles from highest (Quartile 1) to lowest (Quartile 4).

These locations operated in several states across the United States. These locations provide the same goods and services that you will be providing. Each of these locations face different competition, costs, customer preferences, population numbers, and other factors. Your location will also likely face different competition, costs, customer preferences, population numbers, and other factors.

Averages for the 2021 Calendar Year				
	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Gross Sales	\$1,024,502	\$718,799	\$648,524	\$518,981
Profit	\$563,746	\$359,399	\$291,835	\$233,541

Average for the 2021 Calendar Year				
	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Unique Customers*	3202	2836	2402	1884

*A unique customer is any customer that visits a franchised outlet without regard to the number of visits. Thus, a customer who visits a franchised outlet 10 times is a unique customer, as is a customer who visits a franchised outlet 1 time.

We have written substantiation in our possession to support the information appearing in this Item 19 and such substantiation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, GLO Tanning Franchise LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting franchising@glotanning.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2019	0	0	0
	2020	0	5	5
	2021	5	18	13
Company Owned	2019	10	13	3
	2020	13	15	2
	2021	15	16	1
Total Outlets	2019	10	13	3
	2020	13	20	7
	2021	20	34	14

Table 1: Systemwide Outlet Summary (2019-2021)

There have been no transfers of outlets from franchisees to new owners for the years 2019-2021.

There are no franchised outlets for the years prior to 2020.

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold	Outlets at End of Year
AL	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
AR	2019	2	1	0	0	0	3
	2020	3	0	0	1	0	2
	2021	2	0	0	0	0	2
CO	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
FL	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2021	1	3	0	0	0	4
GA	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
MO	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	4	0	0	0	4
OH	2019	0	0	0	0	0	0
	2020	0	2	0	0	0	2
	2021	2	0	0	0	0	2

OK	2019	6	4	0	0	0	10
	2020	10	7	0	0	0	17
	2021	17	0	0	0	0	17
PA	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
TN	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
TX	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	5	0	0	0	5

Table 2: Company-Owned Outlets (2019-2021)

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
AL	0	2	0
AR	0	0	0
CA	1	1	0
CO	6	8	0
FL	1	3	0
GA	1	4	0
MO	0	0	0
OH	1	2	0
OK	0	2	0
PA	0	1	0
TN	0	1	0
TX	0	5	0

Table 3: Projected Openings as of January 25, 2022

Our Fiscal Year Ends December 31.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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. If you buy this franchise, your contact information may be disclosed to other buyers.

There are no known franchisee associations for our franchisees at this time.

There are no current GLO TANNING franchisees and there are no GLO TANNING franchisees that have ceased operations or failed to communicate with us since we began offering franchises in 2020.

Item 21

FINANCIAL STATEMENTS

Our fiscal year ends December 31st of each year. Our Fiscal Year 2021 unaudited balance sheet is attached as Exhibit G to this disclosure document.

Item 22

CONTRACTS

The following are attached to this disclosure document:

EXHIBIT B. FRANCHISE AGREEMENT

EXHIBIT A OWNERSHIP ADDENDUM

EXHIBIT B OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS

EXHIBIT C LEASE ADDENDUM

EXHIBIT D SECURITY AGREEMENT

EXHIBIT E ACKNOWLEDGMENT ADDENDUM

EXHIBIT D. CONVERSION ADDENDUM

EXHIBIT E. STATE SPECIFIC ADDENDA

EXHIBIT F. CONFIDENTIALITY AGREEMENT

EXHIBIT H. SAMPLE GENERAL RELEASE

Each of your owners, at any time during the term of the Franchise Agreement, will sign an agreement in the form that we require (see Exhibit B to the Franchise Agreement) agreeing to be bound jointly and severally by all provisions of the Franchise Agreement and any other agreements between you and us that bind you.

Item 23

RECEIPTS

The last two pages of this disclosure document (Exhibit I) are two copies of a detachable document acknowledging receipt of the disclosure document by you. The receipts to be signed by all prospective franchisees are attached in duplicate to this disclosure document. You will sign and date one copy and give it to us at the time we present it to you. Your copy of the receipt is attached at the end of this disclosure document.

[THE DISCLOSURE DOCUMENT ENDS HERE]

GLO TANNING
EXHIBIT A
TO THE DISCLOSURE DOCUMENT
STATE FRANCHISE ADMINISTRATORS
SPECIFIC POINTS OF CONTACT

Illinois:
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
Telephone: 217-782-1090

Indiana:
Secretary of State
302 W. Washington St. Rm. E111
Indianapolis, IN 46204
Telephone: 317-232-6681

Iowa:
Iowa Securities and Regulated Industries Bureau
Two Raun Center
601 Locust, 4th Floor
Des Moines, IA 50309-3738
Telephone: 515-281-5705

Kentucky:
Office of the Attorney General
700 Capitol Avenue, Suite 118
Frankfort, Kentucky 40601
Telephone: 502-696-5300

Maryland:
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
Telephone: 410-576-6360

Michigan:
Consumer Protection Division
P.O. 30213
Lansing, MI 48909
Telephone: 517-373-1140

Minnesota:
Commissioner of Commerce
Department of Commerce
Securities Division
85 7th Place East, Suite 500
St. Paul, MN 55101
Telephone: 651-539-1638

Nebraska:
Nebraska Department of Banking & Finance
1526 K Street, Suite 300
Lincoln, NE, 68508-5006
Telephone: 402-471-2171

New York:
Office of the Attorney General
Investor Protection Bureau
120 Broadway, 23rd Floor
New York, NY 10271
Telephone: 212-416-8236

North Dakota:
North Dakota Securities Department
State Capitol - 5th Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, ND 58505-0510
Telephone: 701-328-4712

Rhode Island:
Franchise Office
Division of Securities
1511 Pontiac Avenue
Building 69-2
Cranston, RI 02920
Telephone: 401-462-9527

South Dakota:
Director Securities Division
124 S. Euclid, Ste. 104
Pierre, SD 57501-3185
Telephone: 605-224-4823

Virginia:
State Corporation Commission
Division of Securities & Retail Franchising

Tyler Building, 9th Floor
1300 East Main Street
Richmond, VA 23219
Telephone: 804-371-9051

Washington:
Director of Financial Institutions
Securities Division
150 Israel Rd., SW
Tumwater, W A 98501
Telephone: 360-902-8738

Wisconsin:
Division of Securities
201 W Washington Ave., Suite 300
Madison, WI 53703
Telephone: 608-267-9140

EXHIBIT B
TO THE GLO TANNING FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT
[ATTACHED]

GLO TANNING FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and entered into this _____ day of _____, 20____, by and between GLO Tanning Franchise, LLC, an Oklahoma limited liability company located at 12335 N. Rockwell Ave., Oklahoma City, OK. (referred to in this Agreement as “we”, “us”, or “our”), and _____ whose principal business address is (referred to in this Agreement as “you”, “your” or “franchisee”).

1. PREAMBLES, ACKNOWLEDGEMENTS, AND GRANT OF FRANCHISE

1.1. **PREAMBLES.** We have expended considerable time and effort in developing a tanning salon business featuring tanning services, tanning equipment, skin care products and beauty products, together with related services, products, merchandise, and accessories (the “Salons”). These Salons operate under the GLO TANNING name and under distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (the “System”). We use, promote and license certain trademarks, service marks and other commercial symbols in the operation of GLO TANNING Salons, including the GLO TANNING trademark and associated logo and other trademarks service marks, commercial symbols and associated logos, which have gained and continue to gain public acceptance and goodwill (collectively, the “Marks”). In addition, after the date of this Agreement, we may create, use, and license additional Marks in conjunction with the operation of GLO TANNING Salons. We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a GLO TANNING Salon offering the services and products we authorize and approve and utilizing our System, irrespective of the media we use to document the System. You have indicated to us by your actions and statements that you are desirous of a franchise to own and operate a GLO TANNING Salon. The Marks, together with the System and the franchise license granted herein to operate a GLO TANNING Salon are referred to collectively herein as the “Business”.

1.2. **ACKNOWLEDGMENTS.** You acknowledge that you have read this Agreement and our Franchise Disclosure Document and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each GLO TANNING Salon and thereby to protect and preserve the goodwill of the Marks and the System. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the Business may evolve and change over time, that an investment in a GLO TANNING Salon involves business risks and that your business abilities and efforts are vital to the success of the venture.

1.3. **RELATIONSHIP.** You agree to always indicate your status as an independent contractor and franchisee on any document or information released by you in connection with the Business. Further, you will display the following notice in a prominent place at the Business: *“This GLO TANNING is a franchise of GLO Tanning Franchise, LLC and is independently owned and*

operated.” Any information you acquire from other GLO TANNING franchisees relating to their sales, profits or cash flows does not constitute information obtained from us nor do we make any representation as to the accuracy of any such information. You acknowledge that, in all of their dealings with you, our officers, directors, members, managers, employees and agents act only in a representative, and not in an individual capacity. All business dealings between you and such persons in connection with this Agreement are solely between you and us. You further acknowledge that we have advised you to seek franchise counsel to review and evaluate this Agreement.

1.4. **REPRESENTATION.** You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved of your purchasing a franchise in reliance upon all of your representations. As set forth in Article 14.2.5 of this Agreement, we reserve the right to terminate this Agreement if you made any material representation to us that was false or if there were any material omissions in information provided to us in inducing us to enter into this Agreement with you.

1.5. **BUSINESS ENTITY FRANCHISEE.** If you are at any time a corporation, partnership, or other business entity, you agree and represent that:

- 1.5.1. You will have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing and in good standing under the laws of the state of your incorporation or formation. You will notify us within five (5) days whenever there is a change in your corporate status or whenever you receive service of process for any reason;
- 1.5.2. Your organizational documents or partnership agreement will require that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;
- 1.5.3. You must designate one (1) individual, who shall be set forth in Exhibit A hereto, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement and has authority to sign on your behalf on all contracts and commercial documents (“Responsible Owner”). You must notify us of any proposed change of the Responsible Owner and receive our written approval prior to such change. If such change results from the death or incapacitation of the Responsible Owner, you must submit a new proposed Responsible Owner within thirty (30) days after such death or incapacitation. Neither you nor your Owners (as hereinafter defined) will, directly or indirectly, take any actions to avoid or restrict the authority requirement for the Responsible Owner.

Your Responsible Owner and other Owners are identified in Exhibit A to this Agreement. You represent, warrant, and agree that the attached Exhibit A is current, complete and accurate, and you agree to provide us written updates of any changes to

the Responsible Owners or Owners within five (5) days of any such change and to furnish such other information about your organization or information as we may request within five (5) days of such change; and

- 1.5.4. Each of your owners who directly or indirectly owns or controls 5% or more of your franchise (“Owners”), and their spouses, at any time during the term of this Agreement, will execute an agreement in the form that we prescribe (see Exhibit B to this Agreement) undertaking to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you.

1.6. **GRANT OF FRANCHISE.** You desire a franchise to own and operate a GLO TANNING Salon at the following location: _____ . Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the “Franchise”) to operate a GLO TANNING Business solely at the Salon, and a license to use the Marks and the System in the operation thereof, for a term commencing on the date of this Agreement and expiring on the tenth (10th) anniversary of that date, unless sooner terminated in accordance with Article 14. If we consent to the Salon’s relocation, we have the right to charge you for the expenses we incur in connection with the relocation in addition to the successor franchise fee provided for in Article 13.1.3. Except as otherwise provided in Article 1.7, we (and our affiliates) will not establish, or grant to a franchisee the right to establish, another GLO TANNING Salon to be located within a two (2) mile radius of the Salon (the “Area”).

1.7. **YOUR PERFORMANCE.** You (or your managing shareholder or partner) agree to personally manage and operate the Business as your primary occupation or you will hire and delegate your (or your managing shareholder’s or partner’s) authority and responsibility with respect to management and operation to an individual who will personally manage and operate the Business as his or her primary occupation (each, a “Supervisor”). You agree that you will at all times faithfully, honestly, and diligently perform your obligations hereunder, continuously operate and exert your best efforts to promote and enhance the Business and not engage in any other business or activity that conflicts with your obligations to operate the Business in compliance with this Agreement.

- 1.8. **RIGHTS WE RESERVE.** We (and our affiliates) retain the right in our sole discretion to:

1.8.1. Operate, and grant to franchisees the right to operate, GLO TANNING Salons anywhere outside the Area on such terms and conditions as we deem appropriate;

1.8.2. Sell our ancillary products, whether or not using the Marks through distribution channels other than GLO TANNING Salons, including through catalogs distributed within your Area, and through our Internet web site;

1.8.3. Grant other licenses for use of the System and the Marks;

1.8.4. 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 you;

1.8.5. Advertise and promote the System without restriction;

1.8.6. Operate, and license others to operate, retail tanning salons under the Marks, or under other names or marks, at any location other than the Area or Development Area; and

1.8.7. Engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, operation, license and sale of tanning products and services under the Marks, or under other marks through any method of distribution, including, Internet, catalog sales, telemarketing or other direct marketing and other tanning facilities regardless of the proximity to, or the competitive impact on your GLO TANNING Salon, without compensation to you.

2. LOCATION SELECTION AND BUSINESS DEVELOPMENT

2.1. **SELECTION OF YOUR LOCATION.** You acknowledge that if you desire to establish a GLO TANNING Salon at a site, you will submit, or have submitted, a written application to us for approval of such site. The application shall include information we typically evaluate to determine the suitability of a site for a GLO TANNING Salon, including, without limitation, demographic characteristics, traffic patterns, parking, competition from other businesses within the area, the proximity of the proposed site, the size, appearance and other physical characteristics of the proposed site and other commercial characteristics of the site. You acknowledge and agree that our approval of the site, and any information regarding the site communicated to you, do not constitute a representation or warranty of any kind, express or implied as to the suitability of the site for a GLO TANNING Salon or for any other purpose. Our approval of the site indicates only that we believe that such location falls within the acceptable criteria for a site that we have established as of the time of our approval of the site. Application of criteria that have appeared effective with respect to other locations may not accurately reflect the potential for this location, and after our approval of a site, demographic and/or other factors included in or excluded from our criteria could change, thereby altering the potential of a location. The uncertainty and instability of such criteria are beyond our control, and we will not be responsible for the failure of a location we have approved to meet your expectations as to potential revenue or operational criteria. You acknowledge and agree that your acceptance of the site is based on your own independent investigation of the suitability of the site. We have the right to grant or withhold approval of any proposed site in our business judgment.

2.2. **LEASE OR PURCHASE OF THE LOCATION.** You acknowledge that we have the right, but not the obligation, to review the lease, sublease, or purchase contract for the Salon subsequent to signing this Agreement. You acknowledge that we require a Franchisor Addendum to your lease for the Salon in the form that we prescribe (see Exhibit C to this Agreement). You acknowledge that our review of certain provisions of the lease, sublease or purchase contract for the Salon does not constitute a guarantee or warranty, express or implied, of the successful

operation or profitability of a GLO TANNING Salon operated at the Salon. We do not, by virtue of reviewing the lease, sublease, or purchase contract, assume any liability or responsibility to you or to any third parties. Such review, if undertaken, indicates only that we believe that the Salon and certain terms of the lease for the Salon fall within the acceptable criteria we have established as of the time of our approval. You further acknowledge that we have advised you to seek real estate counsel to review and evaluate the lease, sublease, or purchase contract for the Salon. You are obligated to deliver a copy of the lease, sublease, or purchase contract for the Salon to us within fifteen (15) days after its execution.

2.3. BUSINESS DEVELOPMENT. You are solely responsible for developing the Business. We will furnish you with mandatory specifications and layouts for a GLO TANNING Salon, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme and other suggestions. You are obligated to have prepared, at your expense, all required construction plans and specifications to suit the shape and dimensions of the Salon and to ensure that such plans and specifications comply with applicable zoning and other ordinances, building codes and permit requirements and with lease requirements and restrictions. You are obligated to submit construction plans and specifications to us for approval before construction of the Salon is commenced and, at our request, to submit all revised or “as built” plans and specifications during the course of such construction. We may assist you in developing the Salon by recommending contractors (which may include us and/or our affiliates) and architects and otherwise furnishing information to assist you in developing the Business in accordance with our System. If we or our affiliates serve as the contractor to construct the Salon, we or our affiliates will have the right to receive a contractor’s fee in connection with such services. You acknowledge and agree that our review and approval of any construction plans you submit to us for approval under this paragraph (as well as any inspections we make of your premises during construction) are solely to assure your compliance with the System. We do not, by virtue of such review or approval, assume any liability or responsibility to you or to any third parties. You expressly represent and warrant to us the Salon will be built and operated in compliance with all local, state and federal laws, ordinances, rules and regulations, including, without limitation, the Americans with Disabilities Act and similar laws, regulations or rules governing public accommodations for persons with disabilities.

2.4. YOUR OBLIGATIONS. You agree, at your own expense, to do the following with respect to developing the Business:

2.4.1. Secure all financing required to develop and operate the Business;

2.4.2. Obtain all permits and licenses required to construct and operate the Business;

2.4.3. Construct all required improvements to the Salon in compliance with plans and specifications we have approved and which comply with all governmental requirements;

2.4.4. Purchase or lease and install all required fixtures, furniture, equipment, furnishings, and signs required for the Business;

2.4.5. Purchase an initial inventory of authorized and approved products, materials, and supplies;

2.4.6. Use service agreements that allow you or us to electronically debit your clients' accounts for the membership fee for the Business;

2.4.7. Join or participate in one or more consumer rating services;

2.4.8. Obtain membership in the American Suntanning Association or such other trade association as we may designate (the "Trade Association") for you and the Salon; and

2.4.9. At our request, provide a compilation, review, or audited financial statements from an outside accounting firm for the Business.

2.5. FIXTURES, FURNISHINGS, EQUIPMENT, SIGNS, PRODUCTS, AND AUTHORIZED EQUIPMENT REPAIR SERVICES. You agree to use in developing and operating the Business only those fixtures, furnishings, equipment (including cash registers/point of sale systems, telecopiers and computer hardware and software), signs, and products that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Salon (interior and exterior) only such signs, emblems, lettering, logos, and display materials that we approve from time to time. You agree to purchase or lease approved brands, types or models of fixtures, furnishings, equipment, signs, and products only from suppliers we have designated or approved (which may include us and/or our affiliates). You agree to provide or arrange for authorized equipment repair services at the Salon, either directly or indirectly (through an approved supplier). We may from time to time develop proprietary private label equipment and products that are an integral part of our System and you acknowledge and agree that you will comply with all our specifications and requirements relating to incorporating and using such equipment and products in the operation of the Business, as we may require.

2.6. BUSINESS OPENING. You agree not to open the Salon for business until:

2.6.1. We approve the Salon as developed in accordance with our specifications and standards;

2.6.2. Preopening training has been completed to our satisfaction by you and/or your employees;

2.6.3. You have given us a copy of your lease, sublease, or purchase agreement for the Salon;

2.6.4. The initial franchise fee and all other amounts then due to us have been paid;

2.6.5 We have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept;

2.6.6. You have obtained all required permits, licenses, and certifications for operating the Salon and the Business is in compliance with all laws, rules and regulations;

2.6.7. We have approved your client service agreements allowing you or us to electronically debit your clients' accounts for the membership fee;

2.6.8. You have opened a bank account and have completed all of the necessary documentation to collect payments from customers and pay royalties owed under this Agreement;

2.6.9. You have joined or agreed to participate in a consumer rating service; and

2.6.10. You have become a member of the American Suntanning Association or such other Trade Association as we may designate.

2.7. **COMMENCEMENT DEADLINE.** You agree to commence operations within (i) ninety (90) days after signing a lease for your Salon or (ii) ten (10) days after completion of construction at the Salon, whichever is later.

2.8. **GRAND OPENING PROGRAM.** You agree to conduct a grand opening advertising and promotional program for the Business during the thirty (30) day period prior to opening and during the thirty (30) day period after its opening and to expend not less than Ten Thousand Dollars (\$10,000.00) for such purpose. Such grand opening advertising will utilize the marketing and public relations programs and media and advertising materials we have approved. Such grand opening advertising shall be conducted at such times as we consider prudent.

3. FEES

3.1. **INITIAL FRANCHISE FEE.** You agree to pay us a nonrecurring and nonrefundable initial franchise fee in the amount of Thirty Thousand Dollars (\$30,000.00) if this is your first GLO TANNING Salon, or Ten Thousand Dollars (\$10,000.00) if this is not your first GLO TANNING Salon, when you sign this Agreement. The fee will be fully earned by us upon the execution of this Agreement.

3.2. **ROYALTY.** You agree to pay us a nonrefundable royalty ("Royalty") each calendar month (the "Accounting Period"). You agree to pay us a Royalty of six point five percent (6.5%) of your Gross Revenue (as defined below) commencing on the date of the initial opening of the Business (the "Opening Date") and continuing thereafter during the remaining term of the Agreement. You shall provide to us via facsimile transmissions or Internet e-mail, or such other form of delivery we approve, a report of the Gross Revenue derived from operating the Business at the Salon for each calendar month no later than the fifth (5th) day of the subsequent calendar

month. You agree that we shall receive the Royalty for the preceding calendar month no later than the fifth (5th) day of each calendar month. We shall either debit draft your account, which shall be initiated by us, or by such other form of delivery that we approve. If you fail to provide us with a report of Gross Revenue by the fifth (5th) day of the month for the preceding month, then we may, in our sole discretion, elect to draft from your account the same amount that had been drafted the previous month, and you will be responsible for any deficiency if the amount actually owed for such month's Royalty is greater than the amount drafted. You will be credited if the amount drafted or withheld is in excess of the amount owed for such month's Royalty.

3.3. DEFINITION OF "GROSS REVENUE". As used in this Agreement, the term "Gross Revenue" means all revenue you derive from operating the Business, including, but not limited to, all amounts you receive for merchandise, goods, gift cards or services sold at or away from the Salon, and whether from cash, check or credit transactions, but excluding all federal, state or municipal sales, use or service taxes (including any so-called "tanning taxes") collected from clients and paid to the appropriate taxing authority and excluding client refunds, amounts paid by clients as charitable fund raisers, adjustments, credits, and allowances actually made by the Business in compliance with Methods of Operation (as defined below).

3.4. INTEREST ON LATE PAYMENTS. All amounts which you owe us and do not pay us when due will bear interest after their due date at the highest contract rate of interest permitted by law. You acknowledge that this Article does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Business. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Article 14 hereof, notwithstanding the provisions of this Article.

3.5. APPLICATION OF PAYMENTS. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any Royalties, fees or other charges that you owe to us or any of our affiliates and any of your past due indebtedness to us or any of our affiliates. You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners. You also acknowledge that we may use these funds to pay any of your suppliers that you have not paid using commercially reasonable efforts.

3.6. SPECIFIC GOODS PURCHASES. The specifics of your initial purchase of inventory and supplies and the delivery of same and all subsequent inventory and supplies transactions will be dealt with in the normal course of business subject to the terms hereof. We may require a deposit for your initial purchase of inventory and supplies, which may include, but is not limited to, a fifty percent (50%) deposit for walls, fixtures, furniture, and other equipment. Some vendors may require full payment for equipment and/or supplies prior to delivery of such equipment and/or supplies. In respect of any inventory or supplies we sell you on open account, you shall execute the Security Agreement attached hereto as Exhibit D, and, in respect of any inventory or supplies we sell you on open account, you agree to execute such financing statement(s) and such renewal or continuation financing statements or other documents relating to the security interest as are requested by and acceptable to us.

3.7. INSPECTION AND COMPLIANCE REIMBURSEMENT. You agree to reimburse us for our actual costs if, after an inspection of your GLO TANNING business, we determine (in our business judgment) that additional follow up inspections or assessments are required. Our actual costs may include (but are not necessarily limited to) travel, meal, and hourly wage expenses.

3.8. ADDITIONAL FEES. You may be required to pay to us or our affiliate, or service provider as we may designate, additional fees in consideration of goods or services you request which are not specifically discussed herein.

4. TRAINING AND ASSISTANCE

4.1. TRAINING: Before the Business begins operating, we will furnish initial training on the operation of your or your affiliate's first GLO TANNING Salon (or, if you are a corporation, limited liability company or partnership, your Supervisor and managing shareholder, managing member or partner) (the "Initial Training") as follows:

4.1.1. Operator Training. The salon manager, also known as Leader, shall complete a Leader Training Program prior to your Salon opening. The Leader Training Program is primarily online, but may also involve training at one or more Company training Salons in the field.

4.1.2. Initial Salon Opening and Training. We may, in our discretion, provide additional training and support at your or your affiliate's first Salon. This training may include new salon set up and organization, and Leader support and training. We may also provide you with development guidance before you open your first Salon.

4.1.3. Training Certification. We will train and certify the first Leader, Spa Consultant, and Spa Assistant (collectively, the "Salon Operators") at your first Salon. All training will be executed via online learning platform that we designate and may involve training at one or more Company training Salons in the field. Once each role is established, trained, and certified, you will take on the training execution and certification for the established roles. This will include training for any additional Salons that you or an affiliate of yours may open under one or more Franchise Agreements with us. In the event that you request training for any Salons beyond the first Salon that you or your affiliates own or operate under a Franchise Agreement with us, we shall charge you our then-current fees for such Initial Training for additional Salons.

4.1.4. Qualifications and Notes.

4.1.4.1. Our training methods, materials, and our charges therefor, are subject to change.

4.1.4.2. If Leaders and Franchisees do not satisfactorily complete any training requirements and programs, they must do so within sixty (60) days after notification from us.

4.1.4.3. If the Leader is replaced at any time, you must train the new Leader using a certified Leader. If you do not have a certified Leader in your franchisee organization, then the new Leader must receive training in a GLO TANNING location operated outside the franchisee group. This training will be provided by us at no cost, but travel related expenses and employee compensation (for the trainee) is your responsibility.

4.1.4.4. If a Spa Consultant or Spa Assistant at any time vacates their position for the Franchisee, then a new Spa Consultant or Spa Assistant must be designated within 90 days and complete training within 120 days of the vacancy.

4.1.4.5. The Initial Training is only provided for your first Salon that you or your affiliates own or operate. In the event that you or an affiliate of yours owns or operates one or more additional Salons under one or more Franchise Agreements with us, we will charge a reasonable fee for any training we provide above and beyond Initial Training for the first Salon. For training sessions for any Salon other than your first Salon, you will be required to pay, as of the date hereof, \$300.00 per day of training session, minimum of three days, or the then-current fee. In addition, you will reimburse us for all costs related to this additional training within ten (10) days after a bill from us reflecting the training costs is delivered to you, pursuant to the provisions of Article 3.5 of this Agreement. This amount is subject to adjustment by us in our sole and absolute discretion.

4.1.4.6. We may require you and your Leaders to attend additional training. For each additional training session beyond the training sessions associated with the pre-opening and post-opening of your first Salon, you will be required to pay, as of the date hereof, \$300.00 per day of training session, minimum of three days, or the then-current fee. In addition, you will reimburse us for all costs related to this additional training within ten (10) days after a bill from us reflecting the training costs is delivered to you, pursuant to the provisions of Article 3.5 of this Agreement. This amount is subject to adjustment by us in our sole and absolute discretion.

4.1.4.7. You are responsible for all expenses that you and your employees incur for all training programs, including the cost of travel, lodging, meals, and wages.

4.1.4.8. You are obligated to utilize all current training programs for all employees of your Business.

4.1.4.9. Other than the Initial Training, any training done by us will be at your cost. These costs may include travel, lodging, meals, and our then-current training fees. This includes any new Salon opening training support.

4.1.4.10. You may request additional training for your first Salon beyond the Initial Training. If possible, we will accommodate any additional training requested. All additional training is at your cost and includes travel, lodging, meals, and our then-current training fees.

4.1.4.11. You will reimburse us for all of the reasonable travel, lodging and meal costs or expenses incurred by us in connection with any on-site training within ten days after a bill from us reflecting such costs or expenses is delivered to you, pursuant to the provisions of Article 3.5 of this Agreement.

4.2. REFRESHER TRAINING. We may require you (or your managing shareholder, managing member or partner) and/or previously trained and experienced employees to attend periodic refresher training courses at such times and locations that we designate, and we may charge reasonable fees for such courses. We also may require you to pay us fees for training additional employees or your new employees hired after your Salon commences operations.

4.3. GENERAL GUIDANCE. We may advise you from time to time regarding operating issues concerning the Business disclosed by reports you submit to us or on-site inspections we make from time to time. Such guidance will, at our discretion, be furnished in our operations manual, training manuals and franchise owners business manual (collectively, the “Manuals”), bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the Salon. In addition, we will furnish guidance to you with respect to:

4.3.1. Standards, specifications and operating procedures and methods utilized by the Business;

4.3.2. Purchasing required fixtures, furnishings, equipment, signs, products, materials, and supplies;

4.3.3. Advertising and marketing programs;

4.3.4. Employee training; and

4.3.5. Use of authorized software.

4.4. ADDITIONAL GUIDANCE. During the term of this Agreement, additional guidance may be provided in any of the following ways:

4.4.1. Telephone consultation during such times as are outlined in the Operations Manual (see Article 4.5. below);

4.4.2. Buying advisory services whereby we may provide you with lists of sources and approved suppliers for our products, merchandise, accessories, services, fixtures, furnishings, equipment, signs, etc.;

4.4.3. Wholesaling services whereby we may ourselves act as an approved or designated source for products, merchandise, accessories, fixtures, furnishings, equipment, signs, etc.;

4.4.4. Ongoing marketing programs;

4.4.5. Newsletter services whereby we may inform you periodically about the current events in the GLO TANNING System;

4.4.6. Meetings, whereby we may convene with you and other GLO TANNING franchisees for business or social purposes;

4.4.7. Research and development regarding Methods of Operation (see Article 4.5. below); and/or

4.4.8. At your request, we will furnish additional guidance and assistance related to the Manuals and we may charge reasonable fees for such guidance that we establish from time to time. If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with such training, including *per diem* charges and travel and living expenses for our personnel, will be your responsibility.

4.5. MANUALS. During the term of this Agreement, we will allow you to use one (1) copy of our Manuals for the Salon, consisting of such materials (possibly including, but not limited to, audio tapes, videotapes, magnetic media, computer software, electronic documents, and written materials) that we furnish to franchisees from time to time for use in operating a GLO TANNING business. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a GLO TANNING Business and information relating to your other obligations under this Agreement and related agreements ("Methods of Operation"). The Manuals may be modified from time to time to reflect changes in the law, marketplace, or Methods of Operation. You agree to keep your copies of the Manuals current and in a secure location at the Salon. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals. If any copy of the Manuals furnished to you is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy at our then-applicable charge. The Manuals and other applications, standards, and operating procedures furnished to you, as amended from time to time, are intended to further the purposes of this Agreement and are specifically incorporated into this Agreement. You acknowledge and agree that the Manuals and other system communications may only be available on the Internet, our intranet system, or other online or computer data transfer communications. The Manuals (and each component thereof) constitutes a confidential trade secret and will remain our property. You agree that these requirements are reasonable and necessary to preserve the identity, reputation, value, and goodwill of the System.

5. MARKS

5.1. OWNERSHIP AND GOODWILL OF MARKS. Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Salon pursuant to and in compliance with this Agreement and Methods of Operation, which we prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Salon in compliance with this Agreement). All provisions of this Agreement applicable to the Marks apply to any additional proprietary trademarks and service marks and commercial symbols we authorize you to use. You will not represent in any manner that you have any ownership in the Marks or the right to use the Marks except as provided in this Agreement and the Operations Manual.

5.2. LIMITATIONS ON YOUR USE OF MARKS. You agree to use the Marks as the sole identification of the Salon, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe. You may not use any Marks as part of any corporate or legal business name or Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Marks may be used in any advertising concerning the transfer, sale or other disposition of the Business or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe at the Salon, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trademark and service marks registration (i.e. “®”, “TM”) as we specify and to obtain any fictitious or assumed name registrations required under applicable law. You agree to withdraw any fictitious or assumed name registration immediately upon termination or expiration of this Agreement.

5.3. NOTIFICATION OF INFRINGEMENTS AND CLAIMS. You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks, or of any claim by any person of any rights in any Marks, and agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office (“USPTO”) proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of us or our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding, or otherwise to protect and maintain our interests in the Marks.

5.4. DISCONTINUANCE OF USE OF MARKS. If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice thereof. We will reimburse you for your reasonable direct expenses of changing the Salon’s signs at the Salon. However, we will not

be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

5.5. INDEMNIFICATION OF FRANCHISEE. We agree to indemnify you against, and to reimburse you for, all direct damages for which you are held liable in any proceeding arising out of your authorized use of any Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs you reasonably incur in defending any such claim brought against you, provided you have timely notified us of such claim and provided further that you and your owners and affiliates are in compliance with this Agreement and all other agreements entered into with us or any of our affiliates. We are entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and, if we undertake to prosecute, defend and/or settle any such matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

6. CONFIDENTIAL INFORMATION

6.1. DETERMINATION OF CONFIDENTIAL INFORMATION. We possess (and will continue to develop and acquire), and may disclose to you, certain confidential information (the “Confidential Information”) relating to the development and operation of the GLO TANNING System, which may include (without limitation):

6.1.1. Salon selection criteria and plans and specification for the development of GLO TANNING businesses;

6.1.2. Methods, formats, specifications, standards, systems, procedures, the Manuals, any other proprietary materials, the sales and marketing techniques used, and knowledge of and experience in developing and operating GLO TANNING businesses;

6.1.3. Sales, marketing and advertising programs and techniques for GLO TANNING businesses;

6.1.4. Knowledge of specifications for and suppliers of certain fixtures, furnishings, equipment, products, materials, and supplies used in developing or operating GLO TANNING businesses;

6.1.5. Knowledge of the operating results and financial performance of GLO TANNING businesses other than your Business;

6.1.6. Methods of training and management relating to GLO TANNING businesses;

6.1.7. Computer system and software programs used or useful in GLO TANNING businesses; and

6.1.8. Any and all other information related to the Business or GLO TANNING businesses generally that is labeled proprietary or confidential. This includes, without limitation,

all client and membership lists and information for the Business and GLO TANNING businesses generally.

6.2. FOR BUSINESS USE ONLY. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating your Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement. You further acknowledge and agree that Confidential Information is proprietary, includes our trade secrets and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you:

6.2.1. Will not use Confidential Information in any other business or capacity;

6.2.2. Will maintain the absolute confidentiality of Confidential Information during and after the term of this Agreement;

6.2.3. Will not make unauthorized copies of any portion of Confidential Information disclosed via electronic medium or in written or other tangible form; and

6.2.4. Will adopt and implement all reasonable procedures, including those that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure thereof to your personnel and others and executing agreements with your personnel that require them to protect the Confidential Information.

6.3. IDEAS, CONCEPTS, TECHNIQUES, OR MATERIALS. All ideas, concepts, techniques, or materials relating to the GLO TANNING System, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item. You and we will jointly own all right, title, and interest in and to all client lists and client information regarding all past and present customers of the Salon (the “Client Information”). However, if the Franchise Agreement is terminated following a default by you, your rights in the Client Information will automatically terminate and you must deliver all Client Information in your possession to us and we will be the sole owner of all Client Information. For a Salon that was operated as a tanning salon and that has converted to operate under the GLO TANNING System (a “Conversion Salon”), Client Information includes information regarding customers of your Business prior to and after the conversion to a GLO TANNING Salon. We may use the Client Information in perpetuity for any purpose whatsoever without compensation to you.

7. EXCLUSIVE RELATIONSHIP

7.1. EXCLUSIVE DEALINGS. You acknowledge that we have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. You, therefore, agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses, children or other relatives by blood or marriage) will:

7.1.1. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, wherever located;

7.1.2. Perform services as a director, officer, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located; or

7.1.3. Recruit or hire any person who is or was our employee or the employee of any GLO TANNING business without obtaining the prior written permission of that person's employer.

7.2. COMPETITIVE BUSINESS. The term "Competitive Business" as used in this Agreement means any business operating, or granting franchises or licenses to others to operate, any business which offers indoor tanning products or services (other than a GLO TANNING business operated under a Franchise Agreement with us).

8. METHODS OF OPERATION

8.1. COMPLIANCE WITH METHODS OF OPERATION. You acknowledge and agree that your operation and maintenance of the Salon in accordance with Methods of Operation (defined in Article 4.5.) is essential to preserve the goodwill of the Marks and all the GLO TANNING businesses. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the Salon in accordance with Methods of Operation, as we periodically modify and supplement them during the term of this Agreement. Methods of Operation may regulate any one or more of the following with respect to the Salon:

8.1.1. Design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling (see Article 8.5); replacement of obsolete or worn out leasehold improvements, fixtures, furnishings, equipment and signs; periodic painting; and use of interior and exterior signs, emblems, lettering and logos and the illumination thereof;

8.1.2. Types, models and brands of required fixtures, furnishings, equipment, signs, materials, and supplies;

8.1.3. Required or authorized services, products, and product categories (the sale of merchandise other than GLO TANNING merchandise, without our express written approval, is a material breach of the terms of the Agreement);

8.1.4. Designated or approved suppliers (which may be limited to or include us) of fixtures, furnishings, equipment, signs, products, materials, and supplies and services (the use of suppliers other than us, our subsidiaries or affiliates, or our other approved suppliers, without our express written approval, is a material breach of the terms of this Agreement);

8.1.5. Terms and conditions of the sale and delivery of, including, without limitation, credit terms and letter of credit amounts, and terms and methods of payment for, and security deposits, for services, products, materials, supplies and services including direct labor, that you obtain from us, our affiliates or others;

8.1.6. Sales, marketing, advertising and promotional programs and materials and media used in such programs, including, without limitation, the right to enforce price policies and timing and duration of price reduction periods;

8.1.7. Use and display of the Marks, including, without limitation, our approval of all signage for your Salon;

8.1.8. Membership in the Trade Association as we may designate;

8.1.9. Membership or participation in one or more consumer rating services;

8.1.10. Staffing levels for the Salon; communication to us of the identities of the Salon's personnel; and training, dress, and appearance of employees;

8.1.11. Days and hours of operation of the Business (We require that the Business follow the same days and hours of operation as those observed by our affiliate company Salons. A change in the days and hours of operation of the Business must be approved by us in writing.);

8.1.12. Participation in market research and testing and product and service development programs;

8.1.13. Acceptance of credit cards, other payment systems, and check verification services;

8.1.14. Bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us, including, but not limited to, a compilation, review or audited financial statements from an outside accounting firm;

8.1.15. As further described in Article 8.12, types, amounts, terms and conditions of insurance coverage required to be carried for the Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

8.1.16. Complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with clients, employees, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Business;

8.1.17. Regulation of such other aspects of the operation and maintenance of the Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and the GLO TANNING System;

8.1.18. Client services to provide for the uniform assistance to salons with membership, customer service, and related issues.

8.1.19. Electronically debiting your clients' accounts for the membership fee.

8.2. PRICING. We may periodically set a maximum or minimum price that you may charge for products and services offered by the Business. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including the maximum price we impose or down to and including the minimum price we impose, but may not charge any price in excess of the maximum price, or below the minimum price, set by us. In addition, we may establish price advertising policies for the products and services. A price advertising policy may impose certain restrictions on your promotion and advertising, including, without limitation, a prohibition on your promoting or advertising at prices that are below our suggested retail price. You agree to comply with any advertising policies regarding pricing that we may establish. You understand and acknowledge that any suggested retail prices and/or price advertising policies we establish would not affect your right to sell our products and services at prices below the suggested retail prices.

8.3 PROVISIONS OF THIS AGREEMENT. You agree that the Methods of Operation prescribed from time to time in the Manuals, or otherwise communicated by us to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all Methods of Operation as periodically modified.

8.4. MODIFICATION OF METHODS OF OPERATION. We may periodically modify the Methods of Operations, which may accommodate regional or local variations as we determine, and any such modifications may obligate you to invest additional capital in the Business ("Capital Modifications") and/or incur higher operating costs; provided, however, that such modifications will not alter your fundamental status and rights under this Agreement. We will not obligate you to make any Capital Modifications when such investment cannot, in our reasonable judgment, be amortized during the remaining term of this Agreement, unless we agree to extend the term of this Agreement so that such additional investment, in our reasonable judgment, may be amortized, or unless such investment is necessary in order to comply with applicable laws.

8.5. SALON REMODELING. In addition to the periodic upkeep of your Salon required by the Methods of Operation, you will, at our request, refurbish, remodel and update your Salon at your expense to conform to the design, interior layout, trade dress, equipment, signage, fixtures,

presentation of the Marks and color schemes of your Salon to those required by our then-current Methods of Operation (a “Salon Remodel”). You must submit preliminary plans (prepared by an approved architect) for the Salon Remodel to us for our review and approval before commencing any work. Once we have approved your preliminary plans, you, at your expense, will have the architect prepare complete drawings and construction plans for the Salon Remodel (the “Full Remodel Plans”). You shall ensure that the Full Remodel Plans comply with all laws, rules, regulations, and permit requirements applicable to the location being remodeled. Before applying for a building permit for the Salon Remodel, you shall submit the Full Remodel Plans to us for review and approval. Our approval of the preliminary plans and/or the Full Remodel Plans shall not be deemed to be a warranty or representation as to the quality, sufficiency, or legal completeness of such plans. Once we have approved the Full Remodel Plans, you shall complete the Salon Remodel within 180 days. We will not require you to undertake a Salon Remodel within five years of the opening of the Salon or within five years of the last Salon Remodel.

8.6. COMPLIANCE WITH DATA SECURITY GUIDELINES AND PAYMENT RULES; CYBER-EVENT/IDENTITY THEFT. You shall use your best efforts to protect your clients against a cyber-event, identity theft or theft of personal information. You shall at all times be in compliance with (a) the Payment Card Industry Data Security Standards (“PCI DSS”), (b) the NACHA ACH Security Framework, (c) Payment Rules (as defined below), (d) state and federal laws and regulations relating to data privacy, data security and security breaches, and (e) our security policies and guidelines, all as may be amended from time to time (collectively, “Data Security Safeguards”). For purposes of this Article 8.6: “Payment Rules” means the operating rules and regulations of Payment Processors and any applicable Payment Network, as in effect from time to time; “Payment Processors” means all credit card, debit card and/or ACH processors whose services we may require you to utilize, as well as payment gateway service providers; and “Payment Network” means Visa, MasterCard, and any credit or debit card network issuing credit or debit cards or their duly authorized entities, agents, or affiliates, together with NACHA. You are expected to obtain advice from appropriate legal and security consultants to ensure that you operate your GLO TANNING business at all times in full compliance with the Data Security Safeguards. In the event of any cyber-event, identity theft, or theft of personal information of a client due to any security breach by you, your agents, or your employees, regardless of whether you were compliant with the Data Security Safeguards, you shall pay us up to a maximum of \$200 per record (or such higher amount as we specify from time to time), to offset our out-of-pocket costs and expenses relating to any such cyber-event or security breach (including our costs incurred in responding to and notifying clients).

8.7. GENERAL CONDUCT. You will not, and will not allow your employees to, engage in conduct that may result in or tends to (a) degrade, offend, shock, or insult the community, (b) ridicule public morals or decency, or (c) prejudice us, our affiliates, the Marks, or the System generally. You will (and will ensure that your employees) conduct yourself with due regard to public conventions and morals.

8.8. UNIFORM IMAGE. You agree that your Business will offer for sale such services, products, and merchandise related to the GLO TANNING system that we determine from time to time to be appropriate for your Business. You further agree that your Business will not, without our written approval, offer any services or products (including promotional items) not then

authorized by us. Your Business may not be used for any purpose, other than the operation of a GLO TANNING business in compliance with this Agreement. You agree that your Business will offer courteous and efficient service, and a pleasant ambiance, consistent with your acknowledgements in Article 1.2. hereof.

8.9. PURCHASE OF OTHER PRODUCTS. You acknowledge and agree that the reputation and goodwill of GLO TANNING businesses are based on, and can be maintained only by, the sale of distinctive high-quality services and ancillary merchandise. Therefore, you agree that your Business will use and/or offer for sale only such services, merchandise, uniforms, and supplies that conform to our specifications and quality standards and/or are purchased from suppliers approved by us (which may include us and/or any of our Affiliates). You acknowledge that we or our affiliate are and may be the sole supplier for such other products. We may modify the list of approved products and suppliers from time to time. If you propose to use any product and/or supplier which is not then approved by us, you must first notify us and submit sufficient information, specifications and samples concerning such product and/or supplier so that we can decide whether such product complies with our specifications and standards and/or such supplier meets our Approved Supplier criteria. We have the right to charge reasonable fees to cover our costs. We will notify you of our decision within a reasonable period of time. We may prescribe procedures for the submission of requests for approval and impose obligations on suppliers, which we may require to be incorporated in a written agreement. We may impose limits on the number of suppliers and/or brands for any of the foregoing items including designating us or an affiliate as a sole supplier. You must maintain at all times an inventory of approved merchandise related to the GLO TANNING system sufficient in quantity, quality and variety to realize the full potential of your Business. We may conduct market research to determine consumer trends and salability of new services and products. You agree to cooperate by participating in our market research programs, including by testing the marketing of new services and merchandise in your Business and providing us timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them.

8.10. COMPLIANCE WITH LAWS. You must maintain in force in your name all required licenses, permits, and certificates relating to the operation of your Business. You must operate your Business in full compliance with all applicable laws, ordinances, and regulations. You must notify us in writing immediately upon the commencement of any legal or administrative action, or the issuance of an order of any court, agency or other governmental instrumentality, which may adversely affect the development, occupancy or operation of your Business or your financial condition; or the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Business. All of your advertising and promotion must be completely factual and must conform to the highest standards of ethical advertising. In all dealings with us, as well as your clients, suppliers, lessors, and the public, you must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business, to the business of other GLO TANNING businesses, or to the goodwill associated with the Marks.

8.11. PERSONNEL. You are solely responsible for all employment decisions with respect to your personnel, including hiring, firing, compensation, training, supervision, and discipline, and regardless whether you receive input or guidance from us on any of these subjects.

8.12. INSURANCE. You must procure and maintain in force from an insurance company with an “A-” or better rating by A.M. Best and a Financial Rating of “VII” or better the following types of primary insurance coverage, with minimum coverage amounts specified by us from time to time: comprehensive commercial general liability insurance with no exclusions for tanning activities or cancer (including completed/operations/product liability, and coverage for any consolidated claims against us and our Affiliates); Special Form property insurance, including fire and extended coverage, vandalism and malicious mischief insurance for 100% of the replacement value of your Business and its contents; and such other insurance policies, such as business interruption insurance, professional liability insurance, abuse and molestation insurance, tanning insurance, employment practices liability insurance, automobile insurance, unemployment insurance, cyber liability insurance, excess umbrella insurance and workers’ compensation insurance (with a broad form all-states endorsement) as we may determine periodically and as required by law. Your insurance must also cover identity theft and theft of personal information, including the costs of notifying members whose information has been compromised. All insurance policies must be issued on an “admitted” basis; contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time in our current Franchise Disclosure Document or otherwise in writing from time to time; name us and our Affiliates, including Glo Tanning Centers, Inc. as additional insureds; provide for thirty (30) days prior written notice to us of any material modification, cancellation or expiration of such policy; and include such other provisions as we may require from time to time. At our request, you must furnish us with a Certificate of Insurance on an annual basis. If you fail or refuse to maintain any required insurance coverage, or to furnish satisfactory evidence thereof, we, at our option and in addition to our other rights and remedies hereunder, may obtain such insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain such insurance policies and pay us any costs and premiums we incur. Your obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance we may choose to maintain, nor does it relieve you of your indemnification obligations under this Agreement.

8.13. QUALITY CONTROL. We reserve the right to establish “quality control” programs, such as a “secret shopper” program, a customer satisfaction measurement program, and/or a “customer intercept” program, to ensure the highest quality of service and products in all GLO TANNING businesses. You shall participate in any such quality control programs, and bear your pro-rata share, as determined by us, of the costs of any such program.

8.14. RECIPROCAL MEMBERSHIP; CLIENT LOYALTY PROGRAM. You must participate fully in any reciprocal access program and/or customer loyalty program(s) we may establish, and as modified by us from time to time. You agree and acknowledge that any reciprocal usage by clients of other franchisees and us or when a person redeems any membership benefits or other customer loyalty program benefits at your Business, you are not entitled to reimbursement for membership fees or the cost of goods or services provided to the member as a reciprocal access member or under any customer loyalty program.

9. MARKETING

9.1. **BY YOU.** You agree to spend annually for advertising and promotion of the Business not less than three percent (3%) of Gross Revenue (“Minimum Advertising Expenditure”). Your Local Advertising Cooperative Contribution (as defined in Article 9.5.2), if any, may be counted towards your Minimum Advertising Expenditure.

9.2. **PROOF OF EXPENDITURES.** We may review your books and records from time to time to determine your expenditures for advertising and promotion. Proof of expenditures is nevertheless your responsibility during the term of this Agreement. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts into an advertising fund that we will control for the marketing and promotion of your GLO TANNING Salon.

9.3 **TRUTHFUL ADVERTISING, MARKETING, AND PROMOTION.** You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading, and conform to the highest standards of ethical marketing and the promotion policies which we may prescribe from time to time. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within fifteen (15) days after our receipt of such materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved. We own the copyrights to anything so submitted, whether approved by us or not.

9.4. NATIONAL ADVERTISING AND MARKETING FUND.

9.4.1 Establishment of Marketing Fund. We reserve the right, in our sole discretion, establish and administer a national advertising and marketing fund (the “Marketing Fund”) for the advertising, marketing, and public relations programs and materials we deem appropriate that will be used nationally, regionally, or locally in our franchise owners’ markets. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate, and such entity will have all of the rights and duties specified in this Article 9.4.

9.4.2 Contributions to Marketing Fund. You may be required to contribute to the Marketing Fund a percentage of the Gross Revenue of the Business (“Marketing Fund Contribution”) as determined by us from time to time, not to exceed 2% of your Gross Revenue, unless a majority of Company and franchise Salons vote to establish a higher contribution rate. Your Marketing Fund Contribution would be in addition to the Minimum Advertising Expenditure specified in Article 9.1. Your Marketing Fund Contribution would be payable in the same manner as the Royalty and remitted by us periodically to the Marketing Fund. Salons owned by us or our affiliates would contribute to the Marketing Fund on the same basis as our franchise owners.

9.4.3 Operation of Marketing Fund. We will direct all programs that the Marketing Fund (if any) finances, with sole control over the creative concepts, materials, and endorsements used

and their geographic, market, and media placement and allocation. The Marketing Fund periodically would give you samples of advertising, marketing, and promotional formats, and materials that we may develop, at no cost to you. We would also make available for purchase from us multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

9.4.4 Use of Marketing Funds. The Marketing Fund could be used to pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining our website or related websites that promote Salons and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. We may use the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund's other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including, without limitation, conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Marketing Fund Contributions. We would use all interest earned on Marketing Fund Contributions to pay costs before using the Marketing Fund's other assets. We would account for the Marketing Fund separately from our other funds. We would prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant.

9.4.5 No Fiduciary Obligation. The Marketing Fund would not be our asset. Although the Marketing Fund would not be a trust, we would hold all Marketing Fund Contributions for the benefit of the contributors and use contributions only for the purposes described in this Article 9.4. We would not have any fiduciary obligation for administering the Marketing Fund or for any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use.

9.4.6 No Direct or Proportionate Benefit. The purpose of the Marketing Fund is to maximize recognition of the Marks and patronage of Salons. Although we would try to use the Marketing Fund to develop and place advertising and marketing materials and programs that will benefit all Salons, we cannot ensure that Marketing Fund expenditures in or affecting any geographic area will be proportionate or equivalent to Marketing Fund Contributions by contributors operating in that geographic area, or that any contributor will benefit directly or in proportion to its Marketing Fund Contribution from the development or placement of such advertising and marketing materials.

9.4.7 Legal Proceedings. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund Contributions at the Marketing Fund's

expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Article 9.4, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

9.4.9 Suspension or Termination of Marketing Fund. We may at any time defer or reduce contributions of a Salon franchise owner and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Marketing Fund Contributions during the preceding twelve (12) month period.

9.5 LOCAL ADVERTISING COOPERATIVES.

9.5.1 Establishment of Local Advertising Cooperatives. We reserve the right, in our sole discretion to establish or direct the establishment of local advertising cooperatives (individually, a "Local Advertising Cooperative") in geographical areas (as determined by us) in which two (2) or more Salons are operating. The Local Advertising Cooperative will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating Local Advertising Cooperative franchise owners and Company Salon operators to review. We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing, and promotional materials for the area that the Local Advertising Cooperative covers. If, as of the time you sign this Agreement, we have established a Local Advertising Cooperative for the geographic area in which the Business is located, or if we establish a Local Advertising Cooperative in that area during this Agreement's term, you agree to sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as those documents require.

9.5.2 Contribution to Local Advertising Cooperative. If we establish a Local Advertising Cooperative in your geographic area pursuant to Article 9.5.1, you agree to participate and contribute your share to such Local Advertising Cooperative ("Local Advertising Cooperative Contribution"). The amount of your Local Advertising Cooperative Contribution will be determined at the time the Local Advertising Cooperative is established, and such amount may be counted against the Minimum Advertising Expenditure specified in Article 9.1. Your Local Advertising Cooperative Contribution will be payable in the same manner as the Royalty and remitted by us periodically to the Local Advertising Cooperative. Your Local Advertising Cooperative Contribution may also be capped based on the provisions of the by-laws adopted by the Local Advertising Cooperative, subject to our approval. Salons owned by us or our affiliates will contribute to their respective Local Advertising Cooperative on the same basis as our franchise owners.

9.5.3. Operation of the Local Advertising Cooperative. Each Salon contributing to a Local Advertising Cooperative will have one (1) vote on matters involving the activities of that

specific Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We agree to assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. You acknowledge and agree that, subject to our approval and subject to availability of funds, the Local Advertising Cooperative will have discretion over the creative concepts, materials and endorsements used by it.

9.5.4 Use of Local Advertising Cooperative Funds. You agree that the Local Advertising Cooperative assessments may be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for Salons in your area; purchasing direct mail and other media advertising for Salons in your area; implementing direct sales programs; and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for Salons in your area. The monies collected by us on behalf of a Local Advertising Cooperative will be accounted for separately by us from our other funds and will not be used to defray any of our general operating expenses. You agree to submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative require.

9.5.5. No Direct or Proportionate Benefit. You understand and acknowledge that your Business might not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Salons will be developed separately, and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in this Article 9.5, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Local Advertising Cooperative.

9.6 INTERNET WEBSITE, SOCIAL MEDIA, AND OTHER DIGITAL OR ELECTRONIC MARKETING. You specifically acknowledge and agree that any internet website, social media site or channel (such as, but not limited to, Facebook, Pinterest, LinkedIn, foursquare, Vine, TikTok, Google+, Instagram, YouTube and Twitter accounts or sites) and other digital or electronic marketing channels or media, whether now existing or hereafter created (collectively “Electronic Channels”), are deemed “advertising” under this Agreement and will be subject to all provisions of the Agreement governing advertising. In connection with any Electronic Channel, you agree to the following:

9.6.1 If required by us, you shall not establish a separate Electronic Channel, but shall only have one or more Electronic Channel page(s), as designated by us, within our Electronic Channel;

9.6.2 If we approve, in writing, a separate Electronic Channel for you, then each of the following provisions shall apply:

9.6.2.1 You shall not establish or use the Electronic Channel without our prior written approval.

9.6.2.2 Before establishing the Electronic Channel, you shall submit to us, for our prior written approval, a sample of the proposed Electronic Channel domain name, format, visible content (including proposed screen shots), and non-visible content (including meta tags) in the form and manner we may reasonably require; and you shall not use or modify such Electronic Channel without our prior written approval as to such proposed use or modification.

9.6.2.3 In addition to any other applicable requirements, you shall comply with our standards and specifications for websites as prescribed by us from time to time in the Manuals or otherwise in writing.

9.6.2.4 If required by us, you shall establish such hyperlinks or other link or connection to our Electronic Channel(s) and others as we may request in writing.

9.6.2.5 Upon expiration or termination of the Franchise, you shall cease use of any Electronic Channel associated with the Salon and assign to us or, at our election, delete any domain name, or other Electronic Channel page, name or site containing any of the Marks or any words or combinations of words, letters or symbols that are confusingly or deceptively similar to any of the Marks.

9.7 SHORT MESSAGE SERVICES/TEXT MESSAGING. We do not recommend or endorse any third-party provider of shared short code text messaging services. You expressly understand and agree that we do not evaluate the security or scrubbing capabilities of any such third-party providers, or their compliance with laws governing the use of text messaging. Consequently, if you choose to use a third-party provider of shared short code messaging services, *you do so entirely at your own risk*. You are prohibited from in any way creating the impression that we have approved, endorsed or recommended the third party's services. This includes rendering any service to or acting in concert with anyone that uses a third-party provider of shared short code services. You shall indemnify and hold us harmless from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys' fees, that are incurred by, or awarded against us, arising out of or related to, or alleged to have arisen out of or related to, in whole or part from (i) your use of short code text messaging services or (ii) your non-compliance with laws governing the use of text messaging. You hereby release us, our affiliates and our respective members, officers, employees, agents, successors and assignees from all liabilities, obligations, claims, debts, demands, costs, expenses or causes of action, whether known or unknown, which you have or may have, by yourself or on behalf, of or in conjunction with, any other persons or entities, related to the use of third party text messaging services.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS

10.1. BOOKKEEPING. You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use approved computer hardware and software in order to maintain certain sales data and other information. You agree to furnish to us, upon our request, on such forms that we prescribe from time to time, without limitation, as follows:

10.1.1. Within fifteen (15) days after their filing, copies of all signed sales and federal excise tax returns and signed withholding tax returns for the Business;

10.1.2. Within fifteen (15) days after the end of each calendar month, a profit and loss statement for the Business for the immediately preceding calendar month and a year-to-date balance sheet as of the end of such month in our approved format. We will use this information to initiate a draft from your bank account for the Royalty;

10.1.3. Within sixty (60) days after the end of your fiscal year, reviewed annual profit and loss and source and use of funds statements and a reviewed balance sheet for the Business as of the end of such fiscal year, which will be signed by you or your principal operating officer, operating partner, or Supervisor and in our approved format; and

10.1.4. Within ten (10) days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other information we may periodically require.

10.2. VERIFICATION; DISCLOSURE. You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you, the Salon, or the Business. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis. Moreover, we have the right, as often as we deem appropriate, including on a daily basis, to access the point-of-sale system and other computer systems that you are required to maintain in connection with the operation of the Business and to retrieve all information relating to the Business's operations.

11. INSPECTION AND AUDITS

11.1. OUR RIGHT TO INSPECT THE BUSINESS. To determine whether you and the Business are complying with this Agreement and the Methods of Operation, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you, to:

11.1.1. Inspect the Business;

11.1.2. Observe, photograph, and videotape the operations of the Business for such consecutive or intermittent periods as we deem necessary;

11.1.3. Remove samples of any products, materials or supplies for testing and analysis;

11.1.4. Interview personnel and clients of the Business;

11.1.5. Inspect and copy any books, records and documents relating to your operation of the Business; and

11.1.6. Retrieve such data and information from your computer system or computer systems which are used or licensed by you, such as the EFT processing platform or accounting platform, including obtaining such information from third parties or vendors.

11.2. **COOPERATION.** You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews. You agree to present to your clients such evaluation forms that we periodically prescribe and to participate and/or request your clients to participate in any surveys performed by us or on our behalf.

11.3. **OUR RIGHT TO AUDIT.** We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, you (if you are a corporation, partnership or other business entity), the Business, bookkeeping and accounting records, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. In the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. Also, in the event an inspection or audit reveals that any payments have been understated in any report to us, then you shall immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the highest contract rate of interest permitted by law. If an inspection or audit discloses an understatement in any report of two percent (2%) or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER

12.1. **BY US.** This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein.

12.2. **BY YOU.** You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, partnership, or other business entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, business ability, acumen and financial capacity. Accordingly, neither this Agreement (or any interest therein) nor

any ownership or other interest in you or the Business, including any arrangement whereby you sell or pledge accounts receivable, EFT, or any other assets of the Business, may be transferred without our prior written approval. Our approval is conditioned on the prospective transferee agreeing to sign this or the then-current form of franchise agreement with us at our discretion. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term “transfer” includes your (or your owners’) voluntary, involuntary, direct, or indirect assignment (“Assignment”), sale, gift or other disposition of any interest in:

12.2.1. This Agreement;

12.2.2. You; or

12.2.3. The Business.

12.3. ASSIGNMENT, ETC. An Assignment, sale, gift, or other disposition includes the following events:

12.3.1. Transfer of ownership of capital stock, partnership interest, membership interest, or other equity interest in you;

12.3.2. Merger or consolidation or issuance of additional securities representing an ownership interest in you;

12.3.3. Any issuance or sale of your stock or any security convertible to your stock to any person or entity other than an existing owner;

12.3.4. Transfer of an interest in you, this Agreement or the Business in a divorce, insolvency or corporate, partnership or other business entity dissolution proceeding, or otherwise by operation of law;

12.3.5. Transfer of an interest in you, this Agreement or the Business, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

12.3.6. Pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Business or your transfer, surrender or loss of possession, control, or management of the Business.

12.4. CONDITIONS FOR APPROVAL OF TRANSFER. If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Article 12, we will not unreasonably withhold approval of a transfer that meets all the applicable requirements of this Article. A transfer of ownership, possession or control of the Business may be made only in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or a controlling interest in you, or is one of a series of transfers which in the aggregate constitute the

transfer of this Agreement or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

12.4.1. The transferee, and its direct or indirect owners, must be individuals of good moral character, skill, aptitude, attitude, experience, references, credentials, acumen, and financial capacity and otherwise meet our then applicable standards to operate the Business;

12.4.2. You have paid all Royalties, advertising fees, amounts owed for purchases from us and all other amounts owed to us or to third party creditors and have submitted all required reports and statements;

12.4.3. The transferee (or its managing shareholder, managing member, partner, or Supervisor) has agreed to complete training to our satisfaction and does complete training to our satisfaction prior to the transfer of ownership;

12.4.4. The transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of its Term or, at our option, must execute our then-current standard form of Franchise Agreement and related documents used in the state in which your Business is located (which may provide for different royalties, advertising, contributions and expenditures, duration and other rights and obligations than those provided in this Agreement);

12.4.5. You pay us a transfer fee in the amount of Five Thousand Dollars (\$5,000.00) to defray expenses we incur in connection with the transfer, including the costs of training the transferee (or its managing shareholder, managing member, partner, or Supervisor) and its other personnel, reasonable legal fees and administrative costs incurred, and our reasonable out-of-pocket expenses, including, without limitation, travel, meals, lodging and other investigative expenses involved in meeting with or qualifying the transferee. If the proposed transferee is among your owners, Article 12.4.5 will not apply, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the transfer;

12.4.6. You (and your transferring owners) have executed a general release, in form satisfactory to us (see Exhibit I to the Franchise Disclosure Document), of any and all claims against us and our shareholders, offices, directors, employees and agents;

12.4.7. We have approved the material terms and conditions of such transfer;

12.4.8. If you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Business are subordinate to the transferee's obligations to pay Royalties and other amounts due to us and otherwise to comply with this Agreement;

12.4.9. You and your transferring owners have executed an agreement in favor of us agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in Articles 15.2., 15.3., and 15.4. hereof; and

12.4.10. You and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other GLO TANNING Salons you own and operate) identify yourself or themselves or any business as a current or former GLO TANNING business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a GLO TANNING business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us.

12.5. TRANSFER TO A WHOLLY OWNED ENTITY. Notwithstanding Article 12.4., if you are in full compliance with this Agreement, you may transfer this Agreement to an entity which conducts no business other than the Business and, if applicable, other GLO TANNING Salons, in which you maintain managing control and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding securities or interests, and further provided that all assets of the Business are owned, and the entire business of the Business is conducted, by a single entity. Transfers of shares in such corporation will be subject to the provisions of Article 12.4. Notwithstanding anything to the contrary herein, you agree to remain liable under this Agreement as if the transfer to such entity had not occurred.

12.6. TRANSFER UPON YOUR DEATH OR DISABILITY. Upon your death or permanent disability or, if you are a corporation, partnership or other business entity, the death or permanent disability of the owner of a controlling interest in you, your or such owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Article. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes hereof, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the Business for a period of three (3) months from the onset of such disability, impairment or condition.

12. 7. OPERATION UPON YOUR DEATH OR DISABILITY. If, upon your death or permanent disability or the death or permanent disability of the owner of a controlling interest in you, the Salon is not being managed by a trained Leader, your or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or permanent disability, appoint a Leader to operate the Salon. Such Leader will be required to successfully complete training at your expense within sixty (60) days of being appointed to operate the Business.

12.8. EFFECT OF CONSENT TO TRANSFER. Our consent to a transfer of this Agreement and the Business or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Business or transferee or a waiver of any claims we may have against you (or

your owners) or of the right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

12.9. BONA FIDE OFFERS. If you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the Business or an ownership interest in you, then you (or such owner) agree to obtain a *bona fide*, executed written offer and earnest money deposit (in the amount of five percent (5%) or more of the offering price) and a completed franchise application from a fully disclosed offeror (including lists of the owners of record and beneficially of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror and, in the case of a publicly held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10-K) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale. To be a valid, *bona fide* offer, the proposed purchase price must be denominated in a U.S. dollar amount. The offer must apply only to an interest in you or in this Agreement and the Business and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the Business must reflect the *bona fide* price offered therefor and not reflect any value for any other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the Business must reflect the *bona fide* price offered therefor and not reflect any value for any other property or rights. Any Transfer in violation of our right of first refusal is null and void.

12.10. OUR RIGHT OF FIRST REFUSAL. We have the right, exercisable by written notice delivered to you or your selling owners within thirty (30) days from the date of the delivery to us of both an exact copy of such *bona fide* offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such *bona fide* offer, provided that:

12.10.1. We may substitute cash for any form of payment or non-cash consideration proposed in such offer;

12.10.2. Our credit will be deemed equal to the credit of any proposed purchaser;

12.10.3. We will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

12.10.4. We are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

12.1 0.4.1. Ownership and condition of and title to stock or other forms of ownership interest and/or assets;

12.1 0.4.2. Liens and encumbrances relating to the stock or other ownership interest and/or assets; and

12.1 0.4.3. Validity of contracts and the liabilities, contingent or otherwise, of the corporation, partnership, or other business entity whose stock, membership interests or assets are being purchased.

12.11. **EXERCISE.** If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of twenty-four (24) months commencing on the date of the closing, you and they will be bound by the noncompetition covenant contained in Article 15.5. You and your selling owner(s) further agree that you and they will, during this same time period, abide by the restrictions of Article 12.4.10 of this Agreement.

12.12. **NON-EXERCISE.** If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such *bona fide* offer, subject to our approval of the transfer as provided in Articles 12.2., 12.3., and 12.4. If the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such *bona fide* offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Article 12.10.

13. EXPIRATION OF THIS AGREEMENT

13.1. **ACQUISITION OF A SUCCESSOR FRANCHISE.** You may acquire a successor franchise if, upon expiration of the term of this Agreement, you (and each of your owners) have substantially complied with this Agreement during its term, and provided that:

13.1.1. You maintain possession of and agree to remodel and/or expand the Business, add or replace improvements, equipment and signs and otherwise modify the Business as we require to bring it into compliance with specifications and standards then applicable for a GLO TANNING Salon; or

13.1.2. If you are unable to maintain possession of the Salon, or if in our judgment the Business should be relocated, you secure substitute premises we approve, develop such premises in compliance with specifications and standards then applicable for a GLO TANNING Salon and continue to operate the Business at the same site, as the case may be, until operations are transferred to the substitute premises, then, subject to the terms and conditions set forth in this Article 13, you will have the right to acquire a successor franchise to operate the Business as a GLO TANNING Salon on the terms and conditions of the Franchise Agreement we are then using in granting successor franchises for GLO TANNING businesses; and

13.1.3. In either case (Article 13.1.1 or 13.1.2), you shall pay to us a successor franchise fee of Five Thousand Dollars (\$5,000.00).

13.2. GRANT OF SUCCESSOR FRANCHISE. You agree to give us written notice of your election to acquire a successor franchise during the last year of the term of this Agreement but not less than ten (10) months prior to the date of expiration of this Agreement. We agree to give you written notice (“Our Notice”), not more than ninety (90) days after we receive your notice, of our decision, in accordance with Article 13.1:

13.2.1. To grant you a ten (10) year successor franchise;

13.2.2. To grant you a successor franchise on the condition that deficiencies of the Business, or in your operation of the Salon, are corrected; or

13.2.3. Not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

13.3. OUR NOTICE. If applicable, Our Notice will:

13.3.1. Describe the remodeling and/or expansion of the Salon and other improvements or modifications required to bring the Salon into compliance with then applicable specifications and standards for a GLO TANNING Salon; and

13.3.2. State the actions you must take to correct operating deficiencies and the time period in which such deficiencies must be corrected.

13.4. NO GRANT. If we elect not to grant a successor franchise, Our Notice will describe the reasons for our decision. Your right to acquire a successor franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

13.5. 90-DAY CURE. If Our Notice states that you must cure certain deficiencies of the Business or its operation as a condition to the grant of a successor franchise, we will give you written notice of a decision not to grant a successor franchise, based upon your failure to cure such deficiencies, not less than ninety (90) days prior to the expiration of this Agreement; provided however, that we will not be required to give you such notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the one hundred eighty (180) day period prior to its expiration. If we fail to give you notice of (i) deficiencies in the Business, or in your operation of the Business, within ninety (90) days after we receive your timely election to acquire a successor franchise; or (ii) our decision not to grant a successor franchise at least ninety (90) days prior to the expiration of this Agreement, if such notice is required, then in either instance, we may extend the term of this Agreement for such period of time as is necessary to provide you with either reasonable time to correct deficiencies or the ninety (90) day notice of our refusal to grant a successor franchise required hereunder.

13.6. AGREEMENTS/RELEASES. If you satisfy all of the other conditions to the grant of a successor franchise, you and your owners agree to execute the then current form of Franchise Agreement and any ancillary agreements we are then customarily using in connection with the

grant of a franchise. You and your owners acknowledge that the then current form of Franchise Agreement and ancillary agreements may include materially different terms than this Agreement and the current ancillary agreements used by us. You and your owners further agree to execute our then-current general release, in form satisfactory to us (our current form of release is included as Exhibit I to the Franchise Disclosure Document), of any and all claims against us and our members, officers, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a successor franchise.

14. TERMINATION OF AGREEMENT

14.1. BY YOU. If you and your owners are in compliance with this Agreement and we materially fail to comply with this Agreement and do not correct such failure within sixty (60) days after written notice of such material failure is delivered to us, you may terminate this Agreement effective thirty (30) days after delivery to us of written notice of termination. Your termination of this Agreement for any other reason or without such notice will be deemed null and void.

14.2. BY US. We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if:

14.2.1. You (or your managing shareholder, managing member partner, or Supervisor) fail to successfully complete initial training to our satisfaction within the required periods;

14.2.2. You fail to begin operating the Salon within (i) ninety (90) days of your signing a lease for your Salon; or (ii) ten (10) days of completion of construction of the Salon, whichever is later;

14.2.3. You abandon or actively fail to operate the Salon for three (3) or more consecutive days, unless the Salon has been closed for a purpose we have approved;

14.2.4. You surrender or transfer control of the operation of the Business without our prior written consent;

14.2.5. You (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the Franchise;

14.2.6. You (or any of your owners) are or have been convicted by a trial court of, or plead or have pled guilty or no contest to, a felony or any crime involving moral turpitude;

14.2.7. You (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the Business or another GLO TANNING Salon or the goodwill associated with the Marks;

14.2.8. You (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the Business;

14.2.9. In the event of your death or permanent disability or the death or permanent disability of one or more of your owners, this Agreement or such owner's interest in you is not assigned as herein required;

14.2.10. You lose the right to possession and use for the Salon;

14.2.11. You (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate, or disclose any portion of the Manuals in violation of this Agreement;

14.2.12. You violate any health, safety, sanitation or other applicable law, ordinance or regulation and do not immediately begin to cure the noncompliance or violation, and correct such noncompliance or violation within twenty-four (24) hours after written notice thereof is delivered to you;

14.2.13. You fail to make payments of any amounts due to us and do not correct such failure within seven (7) days after written notice of such failure is delivered to you;

14.2.14. You fail to pay when due any federal or state income, service, sales, employment related or other taxes due on the operation of the Business, unless you are, in good faith, legally contesting your liability for such taxes;

14.2.15. You (or any of your owners) fail to comply with any other provision of this Agreement or the Methods of Operation and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you;

14.2.16. You (or any of your owners) fail on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failure to comply were corrected after written notice of such failure was delivered to you;

14.2.17. You make an assignment for benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the Business or any of its assets is attached, seized, subjected to a writ or distress warrant or levied upon; unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the Business is not vacated within thirty (30) days following the entry of such order;

14.2.18. A Leader or Supervisor is not appointed within fifteen (15) days after your death or permanent disability or the death or permanent disability of an owner, or such Leader or Supervisor fails to complete our training within sixty (60) days after being appointed; or

14.2.19. You fail to comply with the covenant not to compete set forth in Article 7. We have no obligation whatsoever to refund any portion of the franchise fee upon any termination of this Agreement.

14.3. OUR RIGHT TO OPERATE THE BUSINESS. If we issue you a notice of default and you fail to cure such default within any applicable time period, we have the right, without the obligation, and without waiving our right to terminate this Agreement as a result of such failure, to assume the operation of the Business for such length of time as we determine in our business judgment. You authorize us to operate the Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Business during such period of operation by us shall be accounted for separately and the expenses of the Business, including travel, food, lodging, and salaries of our representatives who operate the Business, shall be charged to such account. You shall indemnify us and our representatives from any and all claims arising from the acts and omissions of us and our representatives pursuant to this Article 14.3.

14.4. ALTERNATIVES TO TERMINATION. In addition to our rights under Article 14.3, if we issue you a notice of default and you fail to cure such default within any applicable time period, we have the right in our business judgment, without the obligation, and without waiving our right to terminate this Agreement as a result of such failure, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder, including, but not limited to:

14.4.1. restricting your or any of your staff's attendance at any training, meetings, workshops, or conventions;

14.4.2. replacing the Royalty in Article 3.2 of this Agreement and/or any other Royalty section contained in any franchise agreement between you (or any of your Owners) and us or our affiliates with the Royalty offered in our then current franchise agreement;

14.4.3. refusing to sell or furnish to you any advertising or promotional materials;

14.4.4. refusing to provide you with ongoing advice about the operation of the Business;

14.4.5. refusing any of your requests to approve a new supplier or the use of any advertising or promotional materials; and

14.4.6. refusing to permit you to enter into a new franchise agreement for a GLO TANNING Salon business at any other location.

You shall hold us harmless with respect to any action we take pursuant to this Article 14.4; and you agree that we shall not be liable for any loss, expense, or damage you incur because of any action we take pursuant to this Article 14.4. Nothing in this Article 14.4 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between us and you, including the right to terminate this Agreement. You agree that our exercise of our rights

pursuant to this Article 14.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between us and you, and shall not be deemed a breach of any provision of this Agreement. We may, in our business judgment, reinstate any services or benefits removed, curtailed, or limited pursuant to this Article 14.4, and you agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. If we limit any services or benefits under this Article 14.4, you shall continue to pay timely all fees and payments required under this Agreement and any other agreement between us and you, including any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

15.1. PAYMENT OF AMOUNTS OWED TO US. You agree to pay us within fifteen (15) days after the effective date of termination, for any reason, or expiration of this Agreement, or on such later date that the amounts due to us are determined, such Royalties, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid.

15.2. MARKS. Upon the termination, for any reason, or expiration of this Agreement:

15.2.1. You may not, directly or indirectly, at any time or in any manner (except with respect to other GLO TANNING Salons you own and operate) identify yourself or any business as a current or former GLO TANNING business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a GLO TANNING franchise in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that indicates or suggests a connection or association with us;

15.2.2. You agree to take such action as may be required to cancel all fictitious or assumed names or equivalent registration to your use of any Marks;

15.2.3. If we do not exercise our option to purchase the Business pursuant to Article 15.6., then you agree to deliver to us within thirty (30) days after the Notification Date (as defined in Article 15.6) all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging and other materials containing any Marks or otherwise identifying or relating to a GLO TANNING Salon and allow us, without liability to you or third parties, to remove all such items from the Salon;

15.2.4. If we do not exercise our option to purchase the Business pursuant to Article 15.6., then you agree that, after the Notification Date, you will promptly and at your own expense make such alterations as we may specify to distinguish the Business clearly from its former appearance and from other GLO TANNING businesses so as to prevent confusion therewith by the public;

15.2.5. If we do not exercise our option to purchase the Business pursuant to Article 15.6, you agree that, after the Notification Date, you will notify the telephone company and all

telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy, e-mail address, or other numbers and any regular, classified or other telephone directory listings associated with any Marks, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify; and

15.2.6. You agree to furnish us, within thirty (30) days after the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

15.3. **DE-BRANDING.** You agree that, upon termination of this Agreement, for any reason, or expiration of this Agreement, you will immediately comply with our then-current de-branding checklist, which shall require you to, among other things:

15.3.1. Remove and destroy all interior and exterior signage, point of sale materials, business forms, and stationery received from us;

15.3.2. Delete from all computer hard drives all materials, information, communications, manuals, and marketing and promotion materials received from us;

15.3.3. Remove all trade dress and cover over all painting containing the GLO TANNING name, slogans, or color scheme;

15.3.4. Promptly instruct all third-party internet sites and telephone directories to remove all listings identifying the location as a GLO TANNING;

15.3.5. Notify all existing clients in a letter approved by us describing the clients' rights and options;

15.3.6. Return all sales materials, operations manuals, and other items that contain any Confidential Information;

15.3.7. Cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

15.3.8. Change your corporate or legal business name, if necessary, so that it does not contain any of the Marks; and

15.3.9. Return to us all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging, and other materials that contain any of the Marks.

15.4. **CONFIDENTIAL INFORMATION.** You agree that, upon termination, for any reason, or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Manuals and any other confidential materials including, without limitation, computer software and any mechanisms (electronic key) used to access the software, that we have allowed you to use.

15.5. POST-TERM COVENANT NOT TO COMPETE. You covenant that, except as otherwise approved in writing by us, you and your Owners shall not, for a continuous, uninterrupted period of twenty four (24) months commencing upon the date of (a) a transfer permitted under Article 12 of this Agreement, (b) expiration of this Agreement where no successor franchise is granted (regardless of the reason for not granting a successor franchise) under Article 13 of this Agreement, (c) termination or non-renewal of this Agreement (regardless of the cause for termination or non-renewal) under Article 14 of this Agreement, or (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Article 15.5; either directly or indirectly, for yourself or your immediate family, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, act as a consultant for, perform services for, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business (as defined in Article 7.2) that is, or is intended to be, located:

15.5.1. at the location of your Salon;

15.5.2. within five (5) miles of the Salon; or

15.5.3. within five (5) miles of any other GLO TANNING Salon in operation or under construction as of the date that you are required to comply with this Article 15.5. You agree and acknowledge that the twenty-four (24) month period of this restriction shall be tolled during any time period in which you are in violation of this restriction.

The restrictions in this Article 15.5 do not apply to: (a) your interests in or operation of a GLO TANNING business under a written Franchise Agreement with us; or (b) the ownership of shares of a class of securities that are listed on a public stock exchange or traded on the over-the-counter market and that represent less than five percent (5%) of that class of securities.

15.6. REASONABLE SCOPE OF COVENANTS. You acknowledge that the scope of the restrictions in Article 15.5 are reasonable and necessary to protect us, the Confidential Information, and the System, and that such restrictions are designed solely to prevent you from taking information, materials, training, and know-how that we provided to you and using them to compete with us. In addition, your operation of a Competitive Business in violation of Article 15.5 would necessarily involve your use of Confidential Information that would result in an unfair competitive advantage vis-a-vis other GLO TANNING franchisees. You further acknowledge that you and your Owners possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcement of the covenant in Article 15.5 will not deprive you or your Owners of personal goodwill or the ability to engage in a lawful trade or business and earn a living.

15.7. REDUCTION OF SCOPE OF COVENANT. You understand and acknowledge that we shall have the right, in our business judgment, to reduce the scope of any covenant set forth in Article 15.5, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

15.8. COVENANT NOT TO COMPETE UPON EXERCISE OF RIGHT OF FIRST REFUSAL. If we exercise our right of first refusal pursuant to the provisions of Article 12, you and your selling Owner(s) agree that, for a period of two (2) years commencing on the date of the closing, you and they will be bound by the noncompetition covenant contained in Article 15.5.

15.9. COMMENCEMENT BY ORDER. If any person restricted by this Article refuses voluntarily to comply with the foregoing obligations, the Restriction Period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants in this Article will not deprive you of your personal goodwill or ability to earn a living.

15.10. OUR RIGHT TO PURCHASE THE BUSINESS.

15.10.1. Exercise of Option. Upon termination or expiration of this Agreement in accordance with its terms and conditions or your termination of this Agreement without cause, we have the option, exercisable by giving written notice thereof to you within sixty (60) days from the date of such termination or expiration, to purchase the Business from you, including the leasehold rights to the Salon, free and clear of all liens, restrictions or encumbrances. The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the “Notification Date”. We have the unrestricted right to assign this option to purchase the Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

15.10.2. Leasehold Rights. You agree, at our election, to assign your leasehold interest in the Salon to us or, to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease.

15.10.3. Purchase Price. The purchase price for the Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the Business’ equipment, signs, inventory, materials and supplies, provided that the Business will be valued as an independent business and its value will not include any value for the Franchise or any rights granted by this Agreement, the Marks, or participation in the network of GLO TANNING businesses.

15.10.4. Fair Market Value. The Business’ fair market value will include the reasonable goodwill you developed in the Area since your commencement of operations that exists independent of the goodwill of the Marks and the System. The length of the remaining terms of the lease for the Salon will also be considered in determining the Business’ fair market value.

15.10.5. Exclusions. We may exclude from the assets purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably

necessary (in function or quality) to the Business' operation or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions.

15.10.6. Appraisal. If we and you are unable to agree on the Business' fair market value, its fair market value will be determined by three (3) independent appraisers who collectively will conduct one (1) appraisal. We will appoint one appraiser, you will appoint one appraiser, and the two appointed appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after the date we determine that we are unable to agree on the Business' fair market value, and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party appointed appraisers was appointed. You and we will bear the cost of our own appraisers and share equally the reasonable fees and expenses of the third appraiser chosen by the two party appointed appraisers. You and we will take reasonable actions to cause the appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment.

15.10.7. Closing. The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us or our affiliates.

15.10.8. Instruments. At the closing, you agree to deliver instruments transferring:

15.10.8.1. Good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

15.10.8.2. All licenses and permits of the Business which may be assigned or transferred; and

15.10.8.3. The leasehold interest in the Salon and improvements thereon.

15.10.9. Escrow. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will, at our election, be accomplished through an escrow arrangement with an independent escrow agent selected by us.

15.10.10. Releases. You and your owners agree to execute our then-current general release, in form satisfactory to us (our current form of release is included as Exhibit I to the Franchise Disclosure Document), of any and all claims against us and our affiliates and their members, officers, directors, employees, agents, successors and assigns.

15.11. **CONTINUING OBLIGATIONS**. All of our and your (and your owners' and affiliates') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

16.1. INDEPENDENT CONTRACTORS. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors. If applicable law shall imply a covenant of good faith and fair dealing in this Agreement, the parties hereto agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such covenant, we and you acknowledge and agree that (a) this Agreement (and the relationship of the parties which arises from this Agreement) grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may affect favorably or adversely your interests; (b) we will use our judgment in exercising such rights based on our assessment of our own interests and balancing those interests against the interests of the owners of GLO TANNING businesses generally (including ourselves, our affiliates and other franchisees), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (c) we will have no liability to you for the exercise of our rights in this manner so long as such rights are not exercised in bad faith toward you; and (d) in the absence of such bad faith, no trier of fact in any legal action or arbitration proceeding shall substitute its judgment for our judgment so exercised. Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of your Business and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time. You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

16.2. NO LIABILITY FOR ACTS OF OTHER PARTY. You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages of any nature whatsoever to any person or property directly or indirectly arising out of the operation of the Business or the business you conduct pursuant to this Agreement.

16.3. TAXES. We will have no liability for any sales, use, service, occupation, excise, employment related, gross receipts, income, property or other taxes, whether levied upon you or

the Business, in connection with the Business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your sole responsibility. Unless the tax is credited against income tax otherwise payable by us, you agree to pay all state and local taxes, including, without limitation, sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on us as a result of our receipt or accrual of the initial franchise fee, royalty fees, advertising fees, extension fees, and all other fees that are referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In such event, you will pay to us (or to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required. Notwithstanding anything to the contrary in this Agreement, this provision does not apply to taxes imposed on us by the state or municipality where we have our principal place of business.

16.4. INDEMNIFICATION. In addition to and not in lieu of any similar provision in this Agreement, you and each of the Guarantors identified in Exhibit A to this Agreement, agree to indemnify, exculpate, defend and hold harmless us, our affiliates and our respective members, officers, employees, agents, successors and assignees (collectively, the “Indemnified Parties” and each an “Indemnified Party”) from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including attorneys’ fees, that are incurred by, or awarded against, an Indemnified Party (collectively, “Losses”), arising out of or related to, or alleged to have arisen out of or related to, in whole or part, any one or more of the following: (i) the infringement, alleged infringement or any other violation by you, your Guarantors or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System; (ii) the violation, breach, or asserted violation or breach by you, your Guarantors or principals of any federal, state, or local law, regulation, ruling or industry standard; (iii) libel, slander, or any other form of defamation by you or your Guarantors or principals; (iv) the violation or breach by you or by any of your Guarantors or principals of any warranty, representation, agreement, covenant or obligation of this Agreement or in any other agreement between you and us or our affiliates; (v) any cyber-event, identity theft or theft of personal information of a client due to any security breach by you, your employees or agents; or (vi) acts, errors, omissions of you, any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, and employees of you and your affiliates in connection with the establishment and operation of the Business, including, but not limited to, any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle or in the establishment or implementation of security for the Business. For purposes of this indemnification, “claims” includes all obligations, damages (actual, consequential or otherwise) and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us at your expense and you shall promptly reimburse us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Notwithstanding anything

to the contrary in this Section 16.4, you are not obligated to indemnify or defend an Indemnified Party against any third-party claim if such third-party claim or corresponding Losses (and then only to the extent that) are determined to be caused solely, according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, by the Indemnified Party's: (a) gross negligence or willful misconduct or (b) bad faith failure to materially comply with any of its material obligations set forth in this Agreement.

16.5. MITIGATION NOT REQUIRED. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

17. ENFORCEMENT AND MISCELLANEOUS MATTERS

17.1. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof.

17.2. LESSER COVENANT ENFORCEABLE. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of such covenant.

17.3. GREATER NOTICE. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required hereunder of the termination of this Agreement or of our refusal to enter into a successor franchise agreement, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any of the Methods of Operation is invalid or unenforceable the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof and we will have the right in our sole discretion to modify such invalid or unenforceable provision or unenforceable part of the Methods of Operation to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof as though it were separately articulated in and made part of this Agreement, that may result from striking from any of the provisions hereof, or any part of the Methods of

Operation, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

17.4. WAIVER OF OBLIGATIONS. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you often (10) days' prior written notice.

17.5. NON-WAIVER. We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including without limitation the right to demand exact compliance with every term, condition and covenant herein or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of any custom or practice at variance with the terms hereof; our or your failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by the other with our and your obligations hereunder including without limitation the Methods of Operation; our waiver, forbearance, delay, failure, or omission to exercise any right, power or option whether of the same, similar or different nature with respect to any other GLO TANNING business; the existence of other franchise agreements for GLO TANNING businesses which contain different provisions from those contained herein; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove or obliterate any legend or endorsement, and such legend or endorsement will have no effect.

17.6. FORCE MAJURE. With the exception of your obligation to pay to us any sums when due, neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations is not our or your fault and results from:

17.6.1. Transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof;

17.6.2. Acts of nature;

17.6.3. Fires, strikes, embargoes, war or riot; or

17.6.4. Any other similar event or cause.

17.7. EXTEND PERFORMANCE. Any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed at the time of such occurrence or payment of Royalties and advertising contributions due on any sales thereafter.

17.8. OUT-OF-STOCK AND DISCONTINUED MERCHANDISE. We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we cannot deliver, or cause to be delivered, or if our affiliates or designated sources or approved suppliers cannot deliver, all of your orders for products, merchandise, equipment, supplies, etc., where such things are out-of-stock or discontinued.

17.9. COSTS AND ATTORNEYS' FEES. If we incur expenses in connection with your failure to pay when due amounts to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

17.10. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US. You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder. You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Article 17.12.

17.11. RIGHTS OF PARTIES ARE CUMULATIVE. Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce.

17.12. ARBITRATION. WE AND YOU AGREE THAT ALL CONTROVERSIES, DISPUTES, OR CLAIMS BETWEEN US AND OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND/OR EMPLOYEES, AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO:

17.12.1. THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US (OR OUR AFFILIATES);

17.12.2. OUR RELATIONSHIP WITH YOU OR YOUR OWNERS;

17.12.3. THE SCOPE OR VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU (OR YOUR OWNERS) AND US (OR OUR AFFILIATES) OR ANY PROVISION OF ANY OF SUCH AGREEMENTS (INCLUDING THE VALIDITY AND SCOPE OF THE ARBITRATION OBLIGATION UNDER THIS ARTICLE 19, WHICH WE AND YOU ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR, NOT A COURT); OR

17.12.4. ANY SYSTEM STANDARD;

MUST BE SUBMITTED FOR BINDING ARBITRATION, ON DEMAND OF EITHER PARTY, TO THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION PROCEEDINGS WILL BE CONDUCTED BY ONE ARBITRATOR AND, EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE 17, ACCORDING TO THE THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. ALL PROCEEDINGS WILL BE CONDUCTED AT A SUITABLE LOCATION CHOSEN BY THE ARBITRATOR IN OR WITHIN FIFTY (50) MILES OF OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, OKLAHOMA CITY, OKLAHOMA). ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). JUDGMENT UPON THE ARBITRATOR'S AWARD MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION.

17.12.5 THE ARBITRATOR HAS THE RIGHT TO AWARD OR INCLUDE IN HIS OR HER AWARD ANY RELIEF WHICH HE OR SHE DEEMS PROPER, INCLUDING, WITHOUT LIMITATION, MONEY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM THE DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE RELIEF, AND ATTORNEYS' FEES AND COSTS, PROVIDED THAT THE ARBITRATOR MAY NOT DECLARE ANY MARK GENERIC OR OTHERWISE INVALID OR, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE 17.15, AWARD ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST EITHER PARTY (WE AND YOU HEREBY WAIVING TO THE FULLEST EXTENT PERMITTED BY LAW, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE 17.15, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER).

17.12.6 WE AND YOU AGREE TO BE BOUND BY THE PROVISIONS OF ANY LIMITATION ON THE PERIOD OF TIME IN WHICH CLAIMS MUST BE BROUGHT UNDER APPLICABLE LAW OR THIS AGREEMENT, WHICHEVER EXPIRES EARLIER. WE AND YOU FURTHER AGREE THAT, IN ANY ARBITRATION PROCEEDING, EACH PARTY MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM WHICH IS NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER YOU OR US. WE RESERVE THE RIGHT, BUT HAVE NO OBLIGATION, TO ADVANCE YOUR SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDING TO TAKE PLACE AND BY DOING SO SHALL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED OUR RIGHT TO SEEK THE RECOVERY OF THOSE COSTS IN ACCORDANCE WITH ARTICLE 17.9.

17.12.7 WE AND YOU AGREE THAT ANY ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS ONLY AS TO A SINGLE FRANCHISEE, NOT BY OR THROUGH AN ASSOCIATION OR ON A CLASS-WIDE BASIS AND THAT AN

ARBITRATION PROCEEDING BETWEEN US AND OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND/OR EMPLOYEES ON THE ONE HAND, AND YOU (AND/OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND/OR EMPLOYEES) ON THE OTHER HAND, MAY NOT BE COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN US AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS ARTICLE 17.12.7, IF ANY ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS ARTICLE 17.2, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH ARTICLE 17 (EXCLUDING THIS ARTICLE 17.2.7).

17.12.8 DESPITE OUR AND YOUR AGREEMENT TO ARBITRATE, WE AND YOU EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION; PROVIDED, HOWEVER, THAT WE AND YOU MUST CONTEMPORANEOUSLY SUBMIT OUR DISPUTE FOR ARBITRATION ON THE MERITS AS PROVIDED IN THIS ARTICLE 17.

17.12.9 YOU AND WE AGREE THAT, IN ANY ARBITRATION ARISING AS DESCRIBED IN THIS ARTICLE, REQUESTS FOR DOCUMENTS SHALL BE LIMITED TO DOCUMENTS THAT ARE DIRECTLY RELEVANT TO SIGNIFICANT ISSUES IN THE CASE OR TO THE CASE'S OUTCOME; SHALL BE RESTRICTED IN TERMS OF TIME FRAME, SUBJECT MATTER AND PERSONS OR ENTITIES TO WHICH THE REQUESTS PERTAIN; AND SHALL NOT INCLUDE BROAD PHRASEOLOGY SUCH AS "ALL DOCUMENTS DIRECTLY OR INDIRECTLY RELATED TO." YOU AND WE FURTHER AGREE THAT THERE SHALL BE NO INTERROGATORIES OR REQUESTS TO ADMIT. WITH RESPECT TO ANY ELECTRONIC DISCOVERY, YOU AND WE AGREE THAT:

17.12.9.1 PRODUCTION OF ELECTRONIC DOCUMENTS NEED ONLY BE FROM SOURCES USED IN THE ORDINARY COURSE OF BUSINESS. NO SUCH DOCUMENTS SHALL BE REQUIRED TO BE PRODUCED FROM BACK-UP SERVERS, TAPES OR OTHER MEDIA;

17.12.9.2 THE PRODUCTION OF ELECTRONIC DOCUMENTS SHALL NORMALLY BE MADE ON THE BASIS OF GENERALLY AVAILABLE TECHNOLOGY IN A SEARCHABLE FORMAT WHICH IS USABLE BY THE PARTY RECEIVING THE DOCUMENTS AND CONVENIENT AND ECONOMICAL FOR THE PRODUCING PARTY. ABSENT A SHOWING OF COMPELLING NEED, THE PARTIES NEED NOT PRODUCE METADATA, WITH THE EXCEPTION OF HEADER FIELDS FOR EMAIL CORRESPONDENCE;

17.12.9.3 THE DESCRIPTION OF CUSTODIANS FROM WHOM ELECTRONIC DOCUMENTS MAY BE COLLECTED SHALL BE NARROWLY TAILORED TO INCLUDE ONLY THOSE INDIVIDUALS WHOSE ELECTRONIC DOCUMENTS MAY REASONABLY BE EXPECTED TO CONTAIN EVIDENCE THAT IS MATERIAL TO THE DISPUTE; AND

17.12.9.4 WHERE THE COSTS AND BURDENS OF ELECTRONIC DISCOVERY ARE DISPROPORTIONATE TO THE NATURE OF THE DISPUTE OR TO THE AMOUNT IN CONTROVERSY, OR TO THE RELEVANCE OF THE MATERIALS REQUESTED, THE ARBITRATOR SHALL EITHER DENY SUCH REQUESTS OR ORDER DISCLOSURE ON CONDITION THAT THE REQUESTING PARTY ADVANCE THE REASONABLE COST OF PRODUCTION TO THE OTHER SIDE, SUBJECT TO ALLOCATION OF COSTS IN THE FINAL AWARD AS PROVIDED HEREIN.

17.12.10 IN ANY ARBITRATION ARISING OUT OF OR RELATED TO THIS AGREEMENT, EACH SIDE MAY TAKE THREE DISCOVERY DEPOSITIONS. EACH SIDE'S DEPOSITIONS ARE TO CONSUME NO MORE THAN A TOTAL OF 15 HOURS. THERE ARE TO BE NO SPEAKING OBJECTIONS AT THE DEPOSITIONS, EXCEPT TO PRESERVE PRIVILEGE. THE TOTAL PERIOD FOR THE TAKING OF DEPOSITIONS SHALL NOT EXCEED SIX WEEKS.

17.12.11 SURVIVAL. THE PROVISIONS OF THIS ARTICLE 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.

17.12.12 COSTS AND ATTORNEYS' FEES. THE PREVAILING PARTY IN ANY ACTION OR PROCEEDING ARISING UNDER, OUT OF, IN CONNECTION WITH, OR IN RELATION TO THIS AGREEMENT WILL BE ENTITLED TO RECOVER ITS REASONABLE COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES, ARBITRATOR'S FEES, AND EXPERT WITNESS FEES, COSTS OF INVESTIGATION AND PROOF OF FACTS, COURT COSTS, AND OTHER ARBITRATION OR LITIGATION EXPENSES) INCURRED IN CONNECTION WITH THE CLAIMS ON WHICH IT PREVAILED.

17.12.13 PERFORMANCE TO CONTINUE. UNLESS WE EXERCISE OUR RIGHT TO TERMINATE THIS AGREEMENT, EACH PARTY MUST CONTINUE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT PENDING FINAL RESOLUTION OF ANY DISPUTE PURSUANT TO THIS ARTICLE 17, UNLESS TO DO SO WOULD BE IMPOSSIBLE OR IMPRACTICABLE UNDER THE CIRCUMSTANCES.

17.12.14 TOLLING OF STATUTE OF LIMITATIONS. ALL APPLICABLE STATUTES OF LIMITATION AND DEFENSES BASED ON THE PASSAGE OF TIME ARE TOLLED WHILE THE DISPUTE RESOLUTION PROCEDURES IN THIS ARTICLE 17.12

ARE PENDING. THE PARTIES WILL TAKE SUCH ACTION, IF ANY, REQUIRED TO EFFECTUATE SUCH TOLLING.

17.13. GOVERNING LAW. All matters relating to arbitration will be governed by the FEDERAL ARBITRATION ACT (9 U.S.C. §§ *et. seq.*). Except to the extent governed by the Federal Arbitration Act as required hereby, the UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *et. seq.*) or other federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Oklahoma, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this Article.

17.14. CONSENT TO JURISDICTION. Subject to Article 17.12, you and your owners agree that if either party commences an action, it must be in state or federal court of general jurisdiction in Oklahoma, and you (and each owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts.

17.15. WAIVER OF PUNITIVE DAMAGES, JURY TRIAL, AND CLASS ACTIONS. Except with respect to your obligation to indemnify us pursuant to Article 16.4. and 16.5, and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you and your respective owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of us. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in this Article 17 is unenforceable. We each waive to the fullest extent possible under the law our respective rights to bring against the other or any affiliate or the other any claims denominated as a class action, consolidated action, or joint action, whether or not permitted under applicable court rules. Each party acknowledges that it has had a full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

17.16. BINDING EFFECT. This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us.

17.17. LIMITATIONS OF CLAIMS. Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement or claims related to your unauthorized use of the Marks, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

17.18. CONSTRUCTION. The preambles and exhibits are a part of this Agreement which, together with the Manuals and our other written policies, constitute our and your entire agreement as to the subject matter of this Agreement, supersedes any and all prior or contemporaneous negotiations, discussions, understandings, or agreements, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that (i) you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement as set forth in Article 1 and (ii) we have provided you with a Franchise Disclosure Document before you executed this Agreement. Except as contemplated by the arbitration provisions of Article 17.12, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Notwithstanding anything in this Article 17.18 or otherwise in this Agreement to the contrary, nothing in this Agreement or in any related agreement you enter into with us is intended to disclaim the representations we have made in the Franchise Disclosure Document.

17.19. WITHHOLD APPROVAL. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

17.20. HEADINGS. The headings of the several Articles hereof are for convenience only and do not define, limit, or construe the contents of such Articles.

17.21. WE; US; OUR. Unless expressed to the contrary, references in this Agreement to “we”, “us”, and “our” with respect to all of our rights and all of your obligations to us under this Agreement, will be deemed to include any of our affiliates with whom you deal. The term “affiliate” as used herein with respect to you or us, means any person or entity directly or indirectly owned or controlled by, under common control with or owning or controlling all or a portion of you or us. For purposes of this definition, “control” means the power to direct or cause the direction of management and policies.

17.22. JOINT AND SEVERAL OWNERS’ LIABILITY. If two or more persons are at any time the owner of the Business hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us will be joint and several. The term “owner” as used herein means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the Business or an interest in you), including without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the Business, and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in the revenue, profits, rights or assets thereof.

17.23. “BUSINESS”. The term “Business” as used herein includes all of the assets, of any nature whatsoever, of the GLO TANNING Franchise you operate pursuant to this Agreement, including its revenue and income.

17.24. MULTIPLE COPIES; ELECTRONIC OR FACSIMILE SIGNATURES. This Agreement may be executed in two or more counterparts, each of which together shall be

deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered electronically, by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if an original thereof.

17.25. “CORPORATION OR PARTNERSHIP”. The term “corporation or partnership” as used herein to describe your business entity shall, if applicable, include reference to your formation as a limited liability company, limited liability partnership, or any other type of limited liability or other business entity.

17.26. ANTI-TERRORISM LAWS. You acknowledge that it is our intent to comply with all antiterrorism laws enacted by the U.S. Government, including but not limited to the USA PATRIOT ACT or Executive Order 13324. You acknowledge that you are not now, nor have you ever been, a suspected terrorist or otherwise associated directly or indirectly with terrorist activity. At any time during the term of this Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the U.S Government, then this Agreement may be terminated immediately.

17.27. RIGHT TO INFORMATION. You consent to us obtaining, using, and disclosing to third parties (including, without limitation, financial institutions, legal and financial advisors, and prospective franchisees), for any purpose we specify or as may be required by law, all financial and other information (including, without limitation, membership data and client lists) contained in or resulting from information, data, materials, statements and reports related, directly or indirectly, to the Business.

18. NOTICES AND PAYMENTS

18. 1. NOTICES. All written notices and reports permitted or required to be delivered by the provisions of this Agreement or the Manuals will be deemed as delivered:

18.1.1. At the time delivered by hand;

18.1.2. One (1) business day after transmission by telecopy, facsimile, or other electronic system, provided there is evidence of receipt;

18.1.3. One (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of receipt; or

18.1.4. Three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent.

18.2. PAYMENTS. All payments required to be delivered by the provisions of this Agreement or the Manuals will be deemed so delivered as provided in Article 18.1, and will be deemed delivered by EFT or bank-wire transfer upon telephone or electronic confirmation with the receiving bank.

18.3. DEFERRAL OF INITIAL PAYMENTS BY MARYLAND FRANCHISEE. The State of Maryland, Office of the Attorney General, Securities Division, requires us to defer payment of the initial franchise fee and all other initial payments owed by any Maryland franchisee to us until we have completed all of our pre-opening obligations under this Agreement. Therefore, notwithstanding any other provision of this Agreement to the contrary, if you are a resident of the State of Maryland or will operate your Salon in the State of Maryland (or if the offer contemplated by this Agreement is otherwise made or accepted in the State of Maryland), we will defer the payment of your initial franchise fee and all of the other initial fees you are required to pay under this Agreement until after we complete all of our pre-opening obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY WE PARTIES.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

EACH OF THE UNDERSIGNED PARTIES WARRANTS AND REPRESENTS THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE. PROFIT OR THE SUCCESS OF THIS FRANCHISE IN SO SIGNING.

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

EXHIBIT A

TO THE FRANCHISE AGREEMENT
BETWEEN GLO Tanning Franchise LLC

AND

DATED _____, 20__

Effective Date: This Exhibit A is current and complete as of _____, 20__

OWNERSHIP ADDENDUM

You and Your Owners

RESPONSIBLE OWNER. The name and home address of the Responsible Owner is as follows: _____.

PROPRIETORSHIP. Your owner(s) (is/are) as follows:

_____.

CORPORATION. PARTNERSHIP OR LIMITED LIABILITY COMPANY (LLC).

You were incorporated or formed on _____, 20__, under the laws of the State of _____. You have not conducted business under any name other than your corporate, LLC, or partnership name and _____. The following is a list of your directors, if applicable, and officers, members, managers, or partners as of the effective date shown above:

Name of Each Director/Officer/Manager

Position(s) Held

OWNERS. Franchisee and each of its Owners (as defined in the Franchise Agreement) represents and warrants that the following is a complete and accurate list of all owners of any interest whatsoever in Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee and each Owner, as to his or her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his or her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Description of Interest

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

EXHIBIT B

**TO THE FRANCHISE AGREEMENT
BETWEEN GLO Tanning Franchise LLC**

AND

DATED _____, 20__

**OWNERS' PERSONAL GUARANTY OF
FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the GLO TANNING Franchise Agreement dated as of (the "Agreement") by and between GLO Tanning Franchise LLC ("Franchisor") and ("Franchisee") each of the undersigned Owners in Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement ("Guaranty"), that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments), including, without limitation, the confidentiality obligations and non-competition covenants in Articles 7 and 15 of the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; (e) notice of any amendment to the Agreement; and (f) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

Each of the undersigned consents and agrees that: (i) undersigned's direct and immediate liability under this guaranty shall be joint and several; (ii) the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the 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 shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full. It is further understood

and agreed by the undersigned that the provisions, covenants and conditions of the Guaranty will inure to the benefit of our successors and assigns.

This is a guaranty of payment and not of collection. This is an absolute, unconditional, primary, and continuing obligation and will remain in full force and effect until, and shall terminate on the earlier of the following: (i) all of the obligations have been indefeasibly paid in full, and Franchisor has terminated this Guaranty; or (ii) ten (10) years after the date of the Agreement; provided, however, that termination of this Agreement on such termination date shall not affect in any manner the liability of Guarantor with respect to (1) the obligations which are created or incurred prior to such termination date, or (2) extension or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to, such prior obligations prior to, on or after such termination date.

This Guaranty shall be governed by the enforcement, governing law and dispute resolution provisions set forth in Article 17 of the Agreement, and notice and payment provisions set forth in Article 18 of the Agreement.

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

GUARANTOR(S)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

EXHIBIT C

TO THE FRANCHISE AGREEMENT
BETWEEN GLO Tanning Franchise LLC ("Franchisor")

AND

DATED _____, 20__

**EXHIBIT TO LEASE
GLO TANNING FRANCHISOR'S LEASE ADDENDUM**

To the extent any terms contained in this Exhibit shall conflict with the body of the Lease, the terms of this Exhibit shall govern.

1. Landlord agrees to deliver copies of any and all notices required or permitted hereby or by the Lease (to Tenant) to Franchisor at GLO TANNING, Attn: 12335 N. Rockwell Ave., Oklahoma City, OK, or such other address as Franchisor shall specify by written notice to Landlord.
2. Tenant hereby assigns to Franchisor, with Landlord's consent, all of Tenant's rights, title and interest to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without renewal; and (b) Franchisor notifies the Tenant and Landlord in writing that Franchisor assumes Tenant's obligations under the Lease.
3. Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Tenant and Landlord, to cure any breach of the Lease and, if so stated in the notice, to also succeed to Tenant's rights, title and interests thereunder.
4. Tenant and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Article 2 or 3 above.
5. If Franchisor assumes the Lease as provided for in Article 2 or 3 above, Landlord and Tenant agree that (a) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to, and subsequent to, the date of assignment and assumption, and (b) Franchisor will have the right to sublease the Premises to another franchisee of Franchisor (a "New Operator"), pursuant to all of the terms of the Lease governing same and as set forth herein, provided the New Operator agrees to operate the Premises as a GLO TANNING business pursuant to a Franchise Agreement with Franchisor and assumes all of the Tenant's obligations under the Lease in writing. Franchisor will be responsible for the Lease obligations incurred after the effective date of the assignment.

6. Landlord and Tenant hereby acknowledge that Tenant has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Location for certain purposes to the extent said purposes are not inconsistent with the terms of the Lease. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees, or agents. Landlord and Tenant hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Tenant is obligated to take certain steps under the Franchise Agreement to de-identify the location as a GLO TANNING business. Landlord agrees to permit Franchisor, its employees or agents, to enter the Location and remove signs, decor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Location as a result thereof and if subsequent to the expiration or earlier termination of the Lease Term, Franchisor shall give advance written notice of its intent to enter the Location (which in any event shall be completed no more than thirty (30) days subsequent to said expiration or earlier termination), shall coordinate same with Landlord, and shall pay the Rent which would be due for such additional period under the Lease if it had not been terminated until such time as Franchisor removes its' property.

7. Landlord agrees to allow Tenant to remodel, equip, paint, and decorate the interior and exterior of the Premises pursuant to the terms of the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate the business at the Premises, subject to the terms of the Lease governing same.

8. Franchisor is a third-party beneficiary under this Addendum.

9. References to the Lease and the Franchise Agreement include all amendments, addenda, extensions, and renewals to such documents.

10. References to the Landlord, Tenant, and Franchisor include the successors and assigns of each of the parties, subject to the terms of the Lease.

EXHIBIT D

TO THE FRANCHISE AGREEMENT
BETWEEN GLO Tanning Franchise LLC

AND

DATED _____, 20__

SECURITY AGREEMENT

(Covers Inventory and Proceeds Only to Extent of Open Account)

GLO TANNING Salon

(Address of Salon)

This Addendum, when accepted by you will become a Security Agreement (the “Security Agreement”) supplementing the GLO TANNING Franchise Agreement dated _____ 20__ (the “Franchise Agreement”) and covering the GLO TANNING franchise located at _____ (the “Business”), between the undersigned debtor(s), jointly and severally if more than one (“FRANCHISEES”), whose principal place of business is _____ and the GLO Tanning Franchise LLC, the secured party (“FRANCHISOR”), whose principal local office is located at [ADDRESS].

FRANCHISOR Agrees to subordinate this Security Agreement to FRANCHISEES’ primary bank lender in an amount not to exceed _____ (\$ _____) Dollars.

1. FRANCHISEES hereby grant a continuing security interest for the benefit of FRANCHISOR upon all of the present and hereafter acquired inventory and all proceeds thereof, and all present and hereafter acquired rights, title and interest relating to the Business, including, but not limited to, all premium and going concern value, if any, of the Business, and FRANCHISEE’S right, if any, to effect a premium sale, and all proceeds thereof. The term “inventory” includes all goods held for sale at the Business (including all goods and supplies customarily classified as inventory and all such chattels hereafter acquired by FRANCHISEES by way of substitution, replacement, return, repossession or otherwise); and all additions and accessories thereto (and the resulting product or mass); and any documents of title representing any thereof. For the purposes of this Security Agreement, the term “proceeds” shall mean whatever is received when collateral, inventory, premium or going concern value, or proceeds is sold, exchanged, collected, or otherwise disposed of, and includes any account arising when the right to payment is earned under a contract right, and shall include cash proceeds consisting of money, checks, and the like. FRANCHISOR’S security interest shall attach to all of the foregoing without further act on

FRANCHISOR'S or FRANCHISEES' part. Upon FRANCHISOR'S request, FRANCHISEES will, from time to time, at FRANCHISEES' expense, pledge and deliver such inventory to FRANCHISOR or to a third party as FRANCHISOR'S bailee; or hold the same in trust for FRANCHISOR'S account; or store the same in a warehouse in FRANCHISOR'S name; or deliver to FRANCHISOR documents of title representing the same; or evidence FRANCHISOR'S security interest in some other acceptable manner. The advances made and to be made hereunder are primarily to enable FRANCHISEES to purchase the inventory required for the operation of the Business; and since such advances will be used for the foregoing purpose, FRANCHISOR'S security interest shall be deemed to be a purchase money security interest.

2. FRANCHISOR'S security interest shall secure: (i) any advances which FRANCHISOR may make hereunder or under the Franchise Agreement; (ii) any other indebtedness which FRANCHISEES may from time to time owe to FRANCHISOR, fixed or contingent, whether arising under the Franchise Agreement or after the expiration or termination thereof as provided therein, or otherwise arising or acquired by FRANCHISOR; and (iii) all interest, commissions, expenses and other items chargeable against FRANCHISEES by reason of any of the foregoing. The term "advances" means monies paid to FRANCHISEES or to others for FRANCHISEES' account, or obligations to third parties incurred by FRANCHISOR at FRANCHISEES' request.

3. FRANCHISEES agree that the making of advances is always wholly discretionary on FRANCHISOR'S part, and that FRANCHISOR shall be the sole judge of the amount of such advances and of the total of such advances to be outstanding at any particular time. All such advances shall be repayable on demand as, and bear interest at the rate, specified in the Franchise Agreement.

4. FRANCHISEES warrant, covenant, and agree that: (i) all inventory, and all premium and going concern value, if any, is and shall remain free from all purchase money or other liens or encumbrances except such as are held by FRANCHISOR; (ii) FRANCHISOR shall have the right at all times to immediate possession of all inventory and its proceeds, and to inspect the inventory and FRANCHISEES' records pertaining thereto; (iii) all excise, floor, sales and any other taxes that may be assessed upon or paid by FRANCHISOR with respect to any of the inventory shall be charged to and paid by FRANCHISEES, and FRANCHISEES agree to indemnify FRANCHISOR against loss by reason of any such taxes. FRANCHISEES will make due and timely payment or deposit of all federal, state, and local taxes, assessments or contributions required of FRANCHISEES by law, and will execute and deliver to FRANCHISOR, on demand, appropriate certificates attesting to the payment or deposit thereof; (iv) none of the inventory shall be removed or disposed of without FRANCHISOR'S written consent, except bona fide purchases thereof in the ordinary course of FRANCHISEES' operation of the Business; and FRANCHISEES' authority to make sales thereof may be terminated by FRANCHISOR by giving FRANCHISEES written notice, in which case FRANCHISEES will forthwith cease making any sales even to purchasers in the ordinary course of FRANCHISEES' operation of the Business; (v) all of the FRANCHISEES' sales shall be promptly reported to FRANCHISOR, and the accounts or other proceeds thereof shall be subject to FRANCHISOR'S security interest in accordance with this Security Agreement; (vi) FRANCHISOR shall not be liable or responsible in any way for safekeeping of any of the inventory (and/or proceeds), or for

any loss or damage to such inventory, or to any premium or going concern value, or for any diminution in the value thereof, or for any act or default of warehousemen or of any carrier, forwarding agency, or other person whomsoever, or for the collection of any proceeds, but the same shall be at FRANCHISEES' sole risk at all times except as otherwise provided in the Franchise Agreement; and (vii) upon a termination of the Franchise Agreement for any reason other than a premium sale approved by FRANCHISOR, the Business has no premium or going concern value whatsoever.

5. FRANCHISEES' default in the payment or performance of any obligation or undertaking on FRANCHISEES' part hereunder or FRANCHISEES' default in the payment or performance of any obligation contained in the Franchise Agreement shall be an event of default hereunder. An event of default hereunder shall include the following: (i) FRANCHISEES' default in the payment or performance of any obligations or undertaking on FRANCHISOR'S part hereunder, including by way of illustration and not by limitation, FRANCHISEES' failure to repay all advances on demand as set forth in paragraph 3 hereof; (ii) FRANCHISEES' breach of any of the warranties and representation contained herein; (iii) any change in FRANCHISEES' condition which in FRANCHISOR'S judgment impairs the prospect of FRANCHISEES' payment or performance hereunder; an actual or reasonably anticipated deterioration of the inventory or the market price thereof which causes same in FRANCHISOR'S opinion to become unsatisfactory as security; (v) any levy, attachment, process, or seizure against FRANCHISEES or any of the inventory; (vi) death of the FRANCHISEES (or any of the FRANCHISEES if there be more than one); (vii) termination of business (including expiration or termination of the Franchise Agreement); or (viii) assignment for the benefit of creditors, insolvency, appointment of a receiver, or the filing of any petition under bankruptcy or debtor's relief laws by or against FRANCHISEES.

Upon any such event of default, all sums advanced or owing as provided herein shall be immediately due and payable without demand or notice from FRANCHISOR. Upon the happening of such or any other event of default, all obligations hereunder shall be immediately due and payable, and FRANCHISOR shall have, in addition to all rights and remedies of a secured party under the Commercial Code of the state in which the Business is located or other applicable statutes or rules, the following rights and remedies: (i) FRANCHISOR may peaceably by FRANCHISOR'S own means or with judicial assistance enter FRANCHISEES' or any other premises and take possession of the inventory, and remove or dispose of it on FRANCHISEES' premises, and FRANCHISEES will not resist or interfere with such action; (ii) FRANCHISOR may require FRANCHISEES to assemble all or any part of the inventory and make it available to FRANCHISOR at any place designated by FRANCHISOR and reasonably convenient to both parties; (iii) FRANCHISEES agree that a notice of termination as provided in the Franchise Agreement shall be deemed to be reasonable notice of any intended or public or private sale or other disposition of the inventory on or after the date of termination. In the event of any such public or private sale or other disposition, FRANCHISEES will pay to FRANCHISOR on demand any deficiency remaining after being credited the net proceeds of sale, less all expenses of taking, handling, and sale. All rights of redemptions are waived. FRANCHISOR shall account to FRANCHISEES for any surplus.

6. Until FRANCHISEES notify FRANCHISOR in writing to the contrary, FRANCHISOR shall be justified in assuming that the inventory is and will continue to be kept solely at the address of the Business.

ACCEPTED:

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

EXHIBIT E

**TO THE FRANCHISE AGREEMENT
BETWEEN GLO Tanning Franchise LLC**

AND

DATED _____, 20__

**ACKNOWLEDGMENT ADDENDUM TO
THE GLO TANNING FRANCHISE AGREEMENT**

As you know, you and we are entering into a Franchise Agreement for the operation of a GLO TANNING franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business.

Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgements and Representations*.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) fourteen (14) calendar days prior to signing the Franchise Agreement, or (b) if you are a resident of Iowa, New York, Oklahoma or Rhode Island, at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or payment of any consideration, or (c) if you are a resident of Michigan, Oregon, Washington or Wisconsin, at the earlier of 10 business days before the execution of any binding agreement or payment of any consideration?

Check one: Yes. No.

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement?

Check one: Yes. No.

3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)?

Check one: Yes. No.

4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding?

Check one: Yes. No.

5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors?

Check one: Yes. No.

6. Do you understand that that the franchise granted is for the right to operate a single GLO TANNING salon at the authorized location only and includes no exclusive area or protected territory except as listed in Article 1.5 of the Franchise Agreement.

Check one: Yes. No.

7. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Article 15.4 and that an injunction is an appropriate remedy to protect the interests of the GLO TANNING system if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly in Article 15.4, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement?

Check one: Yes. No.

8. Do you understand that the current economy and regulatory environment could have a negative impact on the tanning industry, the GLO TANNING franchise system and your business? Do you also understand that the economy and regulatory environment may worsen?

Check one: Yes. No.

If you answered “No” to any of questions 1-8, please explain each “No” answer (attached additional sheets if necessary):

9. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document?

Check one: Yes. No.

10. Except as stated in Item 19 of our Disclosure Document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels?

Check one: Yes. No.

11. Except as stated in Item 19 of our Disclosure Document, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to or different from the information in the Disclosure Document?

Check one: Yes. No.

If you answered “Yes” to any of questions 9-11, please explain in detail the claim, representation or statement (attached additional sheets if necessary):

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH. NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

ACCEPTED:

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

OWNER(S)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, to the extent applicable. In addition, except to the extent we have negotiated changes to the Franchise Agreement that differ from the FDD, nothing in this Acknowledgement Addendum or in any related agreement is intended to disclaim representations made in GLO Tanning Franchise LLC's 2022 FDD that was provided to you.

GLO TANNING

**EXHIBIT C
TO THE DISCLOSURE DOCUMENT**

**GLO TANNING REGISTERED AGENTS
AGENTS FOR SERVICE OF PROCESS**

Illinois:

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
Telephone: 217-782-1090

Indiana:

Secretary of State
302 W. Washington St. Rm. E111
Indianapolis, IN 46204
Telephone: 317-232-6681

Iowa:

Iowa Securities and Regulated Industries Bureau
Two Raun Center
601 Locust, 4th Floor
Des Moines, IA 50309-3738
Telephone: 515-281-5705

Maryland:

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
Telephone: 410-576-6360

Michigan:

Corporations Division
P.O. 300054
Lansing, MI 48909
Telephone: 517-241-6470

Minnesota:

Commissioner of Commerce
Department of Commerce
Securities Division
85 7th Place East, Suite 500

St. Paul, MN 55101
Telephone: 651-539-1638

Nebraska:
Nebraska Department of Banking & Finance
1526 K Street, Suite 300
Lincoln, NE, 68508-5006
Telephone: 402-471-2171

New York:
New York Department of State
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231
Telephone: 212-417-5800

North Dakota:
North Dakota Securities Department
State Capitol - 5th Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, ND 58505-0510
Telephone: 701-328-4712

Rhode Island:
Franchise Office
Division of Securities
1511 Pontiac Avenue
Building 69-2
Cranston, RI 02920
Telephone: 401-462-9527

South Dakota:
Director Securities Division
124 S. Euclid, Ste. 104
Pierre, SD 57501-3185
Telephone: 605-224-4823

Virginia:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219
Telephone: 804-371-9051

Washington:
Director of Financial Institutions
Securities Division

150 Israel Rd., SW
Tumwater, WA 98501
Telephone: 360-902-8738

Wisconsin:
Division of Securities
201 W Washington Ave., Suite 300
Madison, WI 53703
Telephone: 608-267-9140

GLO TANNING
EXHIBIT D
TO THE DISCLOSURE DOCUMENT
CONVERSION ADDENDUM
[ATTACHED]

**CONVERSION ADDENDUM
TO THE FRANCHISE AGREEMENT
BETWEEN GLO TANNING FRANCHISE, LLC
AND**

DATED _____, 20____

This Conversion Addendum ("Addendum") to the GLO Tanning Franchise Agreement ("Franchise Agreement") dated _____, 20____, by and between GLO Tanning Franchise, LLC ("Franchisor") and _____ ("Franchisee") is made and entered concurrently with the execution of the Franchise Agreement by and between Franchisor and Franchisee. Initially capitalized terms used but not defined herein have the meanings set forth in the Franchise Agreement.

RECITALS:

Franchisor has the right to use and license others to use the system and the Marks for establishing and operating GLO TANNING Salons.

Franchisee currently owns or otherwise has rights to an existing tanning Salon located at _____ and _____ desires to use the System and Marks in connection with the operation of such tanning Salon.

In connection with the execution of the Franchise Agreement for Franchisee's existing tanning Salon, Franchisor and Franchisee desire to amend the Franchise Agreement to establish terms and conditions applicable to the conversion of Franchisee's existing tanning Salon to a GLO TANNING Salon.

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

1. Opening Date. Anything in the Franchise Agreement to the contrary notwithstanding, the Opening Date shall be the date on which the Franchisor notifies Franchisee in writing that the existing tanning Salon may be opened to the public branded under Franchisor's Marks. Franchisor shall issue such notice only when, in the Franchisor's sole discretion, Franchisee has installed all or substantially all of the fixtures, equipment, signs and supplies that Franchisor specifies as necessary to complete and open the tanning salon as a GLO TANNING Salon.

2. Initial Franchise Fee. You agree to pay us a nonrecurring and nonrefundable initial franchise fee in the amount of _____ (\$_____) when you sign this Addendum. The fee will be fully earned by us upon the execution of this Agreement. Except as set forth herein, Article 3.1 of the Franchise Agreement remains in effect.

3. Royalties. You agree to pay us a nonrefundable royalty ("Royalty") each calendar month (the "Accounting Period"). Commencing on the date of the initial opening of the Business (the "Opening Date"), you agree to pay us a Royalty according to the following:

- Six Point Five percent (6.5%) of your Gross Revenue throughout the Term.

You shall provide to us via facsimile transmissions or Internet e-mail, or such other form of delivery we approve, a report of the Gross Revenue derived from operating the Business at the Salon for each calendar month no later than the fifth (5th) day of the subsequent calendar month. You agree that we shall receive the Royalty for the preceding calendar month no later than the fifth (5th) day of each calendar month via debit draft of your account, which shall be initiated by us or by such other form of delivery that we approve. If you fail to provide us with a report of Gross Revenue by the fifth (5th) day of the month for the preceding month, then we may, in our sole discretion, elect whether to draft from your account the same amount that had been drafted the previous month, and you will be responsible for any deficiency if the amount actually owed for such month's Royalty is greater than the amount drafted. You will be credited if the amount drafted is in excess of the amount owed for such month's Royalty.

4. Conversion Audit and Prototype Plans. Franchisor has conducted a preliminary conversion audit and has provided to Franchisee written requirements and guidelines for conversion to the System. Franchisor has provided to Franchisee, on loan, a set of prototypical design plans and specifications for a GLO TANNING Salon.

5. Server Fee. Franchisee agrees to pay Franchisor, in addition to all other fees provided in the Franchise Agreement, via debit draft of your account, which shall be initiated by us, or by such other form of delivery that we may approve, a fee of \$750 to merge your server with our servers. Unless otherwise directed by us, this fee is payable to GLO Tanning Franchise LLC and is due within ten days of the merger completion.

6. Conversion Training. We will provide the training described in Article 4.1.2 of the Franchise Agreement on an as-needed basis.

7. Franchisee's Representation, Warranties and Covenants. Franchisee's execution of this Addendum does not and will not result in the breach of any agreement by which Franchisee or any of the Controlling Principals are bound or to which the facility to be used for the Salon is subject.

8. Construction. The capitalized terms used in this Addendum shall have the same meaning as in the Franchise Agreement. The provisions of this Addendum are deemed incorporated into the Franchise Agreement as if stated in full therein and in the event of any conflict between the terms of this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall control.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date first above written.

GLO TANNING FRANCHISE, LLC

By: _____

Printed Name: _____

Title: _____

Dated: _____

[CORPORATION OR PARTNERSHIP]

By: _____

Printed Name: _____

Title: _____

Dated: _____

GLO TANNING
EXHIBIT E
TO THE DISCLOSURE DOCUMENT
STATE SPECIFIC ADDENDA
[ATTACHED]

INFORMATION REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the disclosure document is amended as follows:

1. Article 4 of the Illinois Franchise Disclosure Act states that “Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” In addition, the foregoing provision applies to the choice of which state’s law will govern the franchise agreement and requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

Therefore, Items 17(v) and 17(vv) of the disclosure document are amended to include the following:

“Any provision in a Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois may be unenforceable as to any cause of action which otherwise is enforceable in the courts of the State of Illinois, except that the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.”

Items 17(w) and 17(ww) of the disclosure document are amended to include the following:

“The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act if the jurisdictional requirements of the Illinois Franchise Disclosure Act are met”

2. The following additional disclosure is inserted below the “Franchise Relationship” table set forth in Item 17 of the disclosure document: “Notwithstanding anything set forth in Item 17 to the contrary, the conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Articles 19 and 20 of the Illinois Franchise Disclosure Act”

3. Items 17(x) and 17(xx) of the disclosure document are amended to include the following:

“Any provisions in the Franchise Agreement waiving punitive damages or a jury trial, or any other rights available to the Franchisee under the Illinois Franchise Disclosure Act shall be subject to Article 41 of the Illinois Franchise Disclosure Act, which provides that 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 the State of Illinois is null and void.”

4. Item 17(t) of the disclosure document is amended to include “, this disclosure document” after “Manuals” therein.

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Illinois Franchise Act are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

This Amendment relates to franchises sold in Illinois and is intended to comply with the Illinois Franchise Disclosure Act and the regulations promulgated thereunder. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. Article 4 of the Illinois Franchise Disclosure Act states that “Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State.”

Accordingly, Article 17.14 of the Franchise Agreement is amended to include the following:

“To the extent required by applicable Illinois law, this Article shall not in any way abrogate or reduce any rights of the franchisee as specifically provided in the Illinois Franchise Disclosure Act.”

2. Article 4 of the Illinois Franchise Disclosure Act states that “Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” The Illinois Attorney General’s Office has taken the position that the foregoing provision applies to the choice of which state’s law will govern the franchise agreement and requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act. Accordingly, Article 17.13 of the Franchise Agreement is amended to include the following:

“Notwithstanding anything in this Article 17.13 or otherwise in this Agreement to the contrary, the laws of the State of Illinois shall govern this Agreement.”

3. To the extent that Article 17.18 of the Franchise Agreement conflicts with or is unenforceable under Illinois law, Article 17.18 of the Franchise Agreement is amended to add “, the Franchise Disclosure Document” after “Manuals” in the first sentence thereof.

4. Any provisions in the Franchise Agreement waiving punitive damages, a jury trial, or any other rights available to you under the Illinois Franchise Disclosure Act shall be subject to Article 41 of the Illinois Franchise Disclosure Act, which provides that 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 the State of Illinois is null and void.

5. Article 13 of the Franchise Agreement is hereby amended by adding a new Article 13.7 thereof, which shall read in its entirety as follows:

“The conditions under which the franchise can be terminated and the parties’ rights on non-renewal may be affected by Articles 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that any provision of this Article 13 is inconsistent with one of the aforementioned sections, the applicable provisions of the Illinois Franchise Disclosure Act shall control.”

6. Article 14 of the Franchise Agreement is hereby amended by adding a new Article 14.5 thereof, which shall read in its entirety as follows:

“The conditions under which the franchise can be terminated and the parties’ rights on non-renewal may be affected by Articles 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that any provision of this Article 14 is inconsistent with one of the aforementioned sections, the applicable provisions of the Illinois Franchise Disclosure Act shall control.”

7. Article 15 of the Franchise Agreement is hereby amended by adding a new Article 15.12 thereof, which shall read in its entirety as follows:

“The conditions under which the franchise can be terminated and the parties’ rights on non-renewal may be affected by Articles 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that any provision of this Article 15 is inconsistent with one of the aforementioned sections, the applicable provisions of the Illinois Franchise Disclosure Act shall control.”

8. Article 17.17 of the Franchise Agreement is hereby amended by adding the following to the end thereof:

“Notwithstanding anything in this Article 17.17 to the contrary, no action brought by you to enforce any liability arising under this Agreement that is created under Article 26 of the Illinois Franchise Disclosure Act may be brought by you unless it is brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect of conduct governed by the Illinois Franchise Disclosure Act, or 90 days after delivery to you of a written notice disclosing such a violation, whichever shall expire first.”

9. Article 17.12.6 of the Franchise Agreement is hereby amended by adding the following to the end thereof:

“Notwithstanding anything in this Article 17.12.6 to the contrary, no action brought by you to enforce any liability arising under this Agreement that is created under Article 26 of the Illinois Franchise Disclosure Act may be brought by you unless it is brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect of conduct governed by the Illinois Franchise Disclosure Act, or 90 days after delivery to you of a written notice disclosing such a violation, whichever shall expire first.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

INFORMATION REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of Indiana Code, Chapter 2.7, entitled “Deceptive Franchise Practices” (the “Indiana Law”), the disclosure document is amended as follows:

1. Item 8 of the disclosure document is hereby amended to add the following to the end thereof:

Pursuant to Indiana law, it is unlawful for us to require goods, supplies, inventories, or services to be purchased exclusively from us or sources designated by us where goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by us. Therefore, if you are either a resident of Indiana or a nonresident of Indiana that will be operating your franchise in Indiana, you will not be required to purchase goods, supplies, inventories or services exclusively from us or sources designated by us if items of comparable quality are available from other sources; provided, however, you are required to purchase such items from vendors approved by us. To the extent that you desire to purchase goods, supplies, inventories or services of comparable quality from a supplier who is not currently an approved vendor, then you must obtain our approval for such supplier prior to purchasing any goods, supplies, inventories or services from such suppliers. However, we are not subject to the restrictions set forth in this paragraph with respect to any of our principal goods, supplies, inventories, or services manufactured or trademarked by us.

2. Item 8 of the disclosure document is hereby amended to add the following after the end of the third paragraph of Item 8 under sub-heading “Required Purchases from Approved Suppliers or in Accordance with Our Specifications”:

Pursuant to Indiana law, it is unlawful for us to obtain money, goods, services, or any other benefit from any other person with whom you do business, on account of, or in relation to, the transaction between you and the other person, other than for compensation for services rendered by us, unless the benefit is promptly accounted for, and transmitted to you. Therefore, if you are either a resident of Indiana or a nonresident of Indiana who will be operating a franchise in Indiana, rebates, discounts and similar payments we or our affiliates receive from vendors or suppliers pursuant to your purchase of goods or services from such vendors or suppliers will be promptly accounted for and transmitted to you, less any compensation to us or our affiliates for services rendered.

3. The “Summary” section of Item 17(b) of the disclosure document is amended by adding the following language:

“However, the prohibition by Indiana Code § 23-2-2.7-1(8) against a franchisor’s failure to renew a franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, will supersede the provisions of Article 13 of the Franchise Agreement in the State of Indiana, to the extent it may be inconsistent with such prohibition. It is understood that nothing in Indiana Code § 23-2-2.7-1(8) shall be deemed to be inconsistent with any provision of the Franchise Agreement providing that the Franchise Agreement is renewable or that you shall be granted a successor franchise only if you meet certain conditions specified in the Franchise Agreement.”

4. The “Summary” section of Item 17(g) of the disclosure document is amended by adding the following language:

“However, the prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, will supersede the provisions of Article 14.2 of the Franchise Agreement in the State of Indiana, to the extent it may be inconsistent with such prohibition.”

5. The “Summary” section of Item 17(h) of the disclosure document is hereby amended by adding the following language:

“However, the prohibition by Indiana Code §23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, will supersede the provisions of Article 14.2 of the Franchise Agreement in the State of Indiana, to the extent it may be inconsistent with such prohibition.”

6. The following additional disclosure is inserted below the “Franchise Relationship” table set forth in Item 17 of the disclosure document:

“Notwithstanding any provision to the contrary set forth in this Item 17 or in the Franchise Agreement, the Indiana Deceptive Franchise Practices Act prohibits us from requiring you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Act.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Indiana Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of Indiana Code, Chapter 2.7, entitled “Deceptive Franchise Practices” (the “Indiana Law”), the parties agree to amend the Franchise Agreement as follows:

1. Article 2 of the Franchise Agreement is hereby amended by adding a new Article 2.9 thereof that shall read in its entirety as follows:

“Notwithstanding anything in this Article 2 or otherwise in this Agreement to the contrary, if you are either a resident of Indiana or a nonresident of Indiana who will be operating your Business in Indiana, it is unlawful under the Indiana Deceptive Franchise Practices Act for this Agreement to require goods, suppliers, inventories, or services (other than our principal goods, supplies, inventories, or services manufactured or trademarked by us) to be purchased exclusively from us or sources designated by us where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the us. Therefore, if you are either a resident of Indiana or a nonresident of Indiana who will be operating your Business in Indiana, you will not be required to purchase goods, supplies, inventories or services (other than our principal goods, supplies, inventories, or services manufactured or trademarked by us) exclusively from us or sources designated by us if such items are available from other sources; provided, however, you are required to purchase such items from vendors approved by us. To the extent that you desire to purchase goods, supplies, inventories or services (other than our principal goods, supplies, inventories, or services manufactured or trademarked by us) of comparable quality from suppliers who are not currently approved by us, then you must take the appropriate steps to obtain our approval for the suppliers prior to purchasing any goods, supplies, inventories or services from such suppliers.”

2. Article 2 of the Franchise Agreement is hereby amended by adding a new Article 2.10 thereof that shall read in its entirety as follows:

“If you are either a resident of Indiana or a nonresident of Indiana who will be operating your Business in Indiana, it is unlawful under the Indiana Deceptive Franchise Practices Act for this Agreement to allow us to obtain money, goods, services, or any other benefit from any other person with whom we do business, on account of, or in relation to, the transaction between you and the other person, other than for compensation for services rendered by us, unless the benefit is promptly accounted for, and transmitted to you. Therefore, if you are either a resident of Indiana or a nonresident of Indiana who will be operating your Business in Indiana, volume-based discounts and rebates we or our affiliated companies receive from vendors or suppliers pursuant to your purchase of goods or services from such vendors or suppliers will be promptly accounted for and transmitted to you, less any compensation to us or our affiliates for services rendered.”

3. Article 12 of the Franchise Agreement is hereby amended by adding a new Article 12.13 thereof, which shall read in its entirety as follows:

“No requirement that you execute a general release set forth in this Article 12 shall relieve us or any other person, directly or indirectly, from liability imposed by the Indiana Deceptive Franchise Practices Act.”

4. Article 13 of the Franchise Agreement is hereby amended by adding a new Article 13.7 thereof, which shall read in its entirety as follows:

“No requirement that you execute a general release set forth in this Article 13 shall relieve us or any other person, directly or indirectly, from liability imposed by the Indiana Deceptive Franchise Practices Act.”

5. Article 15 of the Franchise Agreement is hereby amended by adding a new Article 15.12 thereof, which shall read in its entirety as follows:

“No requirement that you execute a general release set forth in this Article 15 shall relieve us or any other person, directly or indirectly, from liability imposed by the Indiana Deceptive Franchise Practices Act.”

6. Article 13 of the Franchise Agreement is hereby amended by adding a new Article 13.8 thereof, which shall read in its entirety as follows:

“The prohibition by Indiana Code § 23-2-2.7-1 (8) against a franchisor’s failure to renew a franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, will supersede the provisions of this Article 13 in the State of Indiana, to the extent it may be inconsistent with such prohibition. It is understood that nothing in Indiana Code § 23-2-2.7-1(8) shall be deemed to be inconsistent with any provision of this Article 13 providing that this Franchise Agreement is renewable or that you shall be granted a successor franchise only if you meet certain conditions specified in this Franchise Agreement.”

7. Article 14 of the Franchise Agreement is hereby amended by adding a new Article 14.5 thereof, which shall read in its entirety as follows:

“The prohibition by Indiana Code §23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, will supersede the provisions of this Article 14 in the State of Indiana to the extent they may be inconsistent with such prohibition.”

8. Each provision of this Amendment shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Indiana Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Indiana Addendum as of the effective date of the Agreement but actually on the dates set forth below.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

INFORMATION REQUIRED BY THE STATE OF IOWA

This addendum applies only to franchises sold in the State of Iowa and is intended to comply with the Iowa Franchise Investment Act and the regulations and administrative policies promulgated thereunder.

1. Footnote 1 to Item 6 is amended by adding the following to the end thereof: “Concerning any Franchise sold in the State of Iowa, the required transfer fee shall be only our reasonable, actual costs incurred in effecting the transfer of your Franchise.”
2. Item 6 is amended by deleting in its entirety from the chart entitled “Other Fees” the section thereof referring to the “Successor Franchisee Fee” and all information related thereto.
3. Item 8 is amended by adding a new section thereof that shall provide as follows:

Iowa Franchisees

“Concerning any Franchise sold in the State of Iowa, we will not require you to purchase any goods, supplies, inventories or services exclusively from us or any supplier approved by us where such goods, supplies, inventories, or service of comparable quality are available from sources other than those designated by us, though this policy does not apply to (a) our principal goods, suppliers, inventories and services or (b) any of our goods, suppliers, inventories or services entitled to protection under any law as a trade secret. In addition, we reserve the right to disapprove any supplier.”

4. Items 17(u), 17(v), 17(uu) and 17(vv) are amended by adding the following statement to each:

“Concerning any Franchise sold in the State of Iowa, we cannot require you to agree in advance to mediate or arbitrate disputes or agree to litigation in a forum outside the State of Iowa.”

5. Items 17(e), 17(t), 17(g), and 17(h) are amended by adding the following statement to each:

“Concerning any Franchise sold in the State of Iowa, we will only terminate your Franchise for “good cause” as defined in Iowa Code 537 A. 10(7)(a). In addition, prior to the termination of your Franchise for good cause, we will provide you with written notice stating the basis for the proposed termination of your Franchise, and you shall be given a reasonable period of time (not less than 30 days nor more than 90 days) in which to cure your default, except with respect to certain actions for which an opportunity to cure is not required pursuant to Iowa Code 537A.10(7)(c).”

6. Item 17(c) is amended by adding the following statement: “Concerning any Franchise sold in the State of Iowa, we will comply with Iowa Code 537A.10(8), which provides that (1) we will give you at least 180 days notice of our decision not to renew your Franchise; (2) we will only refuse to renew your Franchise (i) for “good cause” (defined as any legitimate business reason), (ii) if you and we mutually agree that your Franchise will not be renewed, or (iii) we completely

withdraw from your geographic market (provided that we agree not to enforce any covenant not to compete against you).”

7. Items 17(w) and 17(ww) are amended by adding the following statement to each: “Concerning any Franchise sold in the State of Iowa, Iowa law shall apply.”

8. Items 17(k), 17(l), 17(m), 17(n), and 17(o) are amended by adding the following statement to each:

“Concerning any Franchise sold in the State of Iowa, we will comply with Iowa Code 537A.10(5), which provides that (1) we will approve any transfer by you of your Franchise so long as the transferee satisfies our reasonable then-current qualifications for franchisees; (2) you may transfer less than a controlling interest in your Franchise to an employee stock ownership plan, or employee incentive plan provided that more than fifty percent of the entire Franchise is held by transferees who meet our reasonable current qualifications for franchisees, and such transfer is approved by us (which approval will not be unreasonably withheld); (3) we will not discriminate against a proposed transferee of a franchise on the basis of race, color, national origin, religion, sex, or disability; (4) we will approve any transfer by you of less than a controlling interest in your Franchise to your spouse or child or children if, following the transfer, more than fifty percent of the interest in the entire Franchise is held by transferees who meet our reasonable current qualifications; (5) if we do not approve a transfer by you of your Franchise pursuant to our rights under Iowa Code 537A.10(5), we will deliver written notice of same to you within 60 days of receipt of your request for transfer stating the reason(s) for which we are withholding our consent; and (6) we will not deny your surviving spouse or any child or children (in the event of your death or permanent disability) the opportunity to participate in the ownership of the Franchise for a reasonable period, not exceeding one year, after your death or disability, provided that your surviving spouse or child(ren) must either meet all of the qualifications to which you were subject at the time of your death or disability, or sell, transfer, or assign the Franchise to a person who meets our then-current qualifications for a new franchisee. We reserve the right to condition any transfer upon (1) the transferee successfully completing our training program, (2) payment of a transfer fee by you that reimburses us for our actual expenses directly attributable to the transfer, (3) your payment or making of provision reasonably acceptable to us to pay any amounts you owe to us at the time of the transfer, and (4) the financial terms of the transfer complying with our then-current financial requirements for franchisees.”

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF IOWA

This Amendment relates to franchises sold in Iowa and is intended to comply with the Iowa Franchise Disclosure Act and the regulations and administrative policies promulgated thereunder. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. Article 2.5 is amended by deleting the third sentence thereof and replacing it with the following language: “We will not require you to purchase or lease approved brands, types or models of fixtures, furnishings, equipment, signs and products exclusively from us or any supplier approved by us where such fixtures, furnishings, equipment signs and products of comparable quality are available from sources other than those designated by us; provided, however, that this policy does not apply to (a) our principal fixtures, furnishings, equipment, signs and products, or (b) any of our fixtures, furnishings, equipment, signs and products entitled to protection under any law as a trade secret. In addition, we reserve the right to disapprove any supplier.”
2. Article 8.1.4 is amended by deleting the language thereof in its entirety and replacing it with the following language: “Designated or approved suppliers (which may be limited to or include us) of our principal fixtures, furnishings, equipment, signs, products, materials and supplies or any of the same which are entitled to protection under any law as a trade secret (the use of suppliers other than us, our subsidiaries or affiliates, or other approved suppliers, without our express written approval, is a material breach of the terms of this Agreement);”
3. Article 12.4 is amended by adding the following language after the second sentence of the opening paragraph thereof: “We will not discriminate against a proposed transferee on the basis of race, color, national origin, religion, sex, or disability. If we do not approve a transfer by you, we will deliver written notice of same to you within sixty (60) days of receipt of your request for transfer stating the reason(s) for which we are withholding our consent.”
4. Article 12.4.4 is amended by deleting the language thereof in its entirety and replacing it with the following language: “The transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of the Term.”
5. Article 12.4.5 is amended by deleting the language thereof in its entirety and replacing it with the following language: “You pay us a transfer fee in an amount sufficient to reimburse us for our actual expenses directly attributable to the transfer.”
6. Article 12.4.6 is deleted in its entirety.
7. Article 12.6 is amended by adding the following language to the end thereof: “Upon your death or permanent disability, or, if you are a corporation, limited liability company or partnership, the death or permanent disability of the owner of a controlling interest in you, we will not deny your surviving spouse or any child or children the opportunity to participate in the ownership of the Business for a period of one (1) year; after such death or permanent disability;

provided, however, that such surviving spouse or child(ren) must during such one year period either meet all of the qualifications to which you were subject at the time of your death or disability, or sell, transfer, or assign such ownership interest to a person who meets our then-current qualifications for a new franchisee.

8. Article 13.1.3 is deleted in its entirety.

9. Article 13.4 is amended by adding the following language to the end thereof: “We will only refuse to grant your request for a successor franchisee (i) for “good cause” (defined as any legitimate business reason), (ii) if you and we mutually agree that your franchise will not be renewed, or (iii) we completely withdraw from your geographic market (provided that we agree not to enforce any covenant not to compete against you).”

10. Article 13.5 is amended by deleting the language thereof in its entirety and replacing it with the following language: “If our Notice states that you must cure certain deficiencies of the Business or its operation as a condition to the grant of a successor franchise, we will give you written notice of a decision not to grant a successor franchise, based upon your failure to cure such deficiencies, not less than one hundred eighty (180) days prior to the expiration of this Agreement, provided, however, that we will not be required to give you such notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the one hundred eighty (180) day period prior to its expiration. If we fail to give you notice of (i) deficiencies in the Business, or in your operation of the Business, within ninety (90) days after we receive your timely election to acquire a successor franchise; or (ii) our decision not to grant a successor franchise at least one hundred eighty (180) days prior to the expiration of this Agreement, if such notice is required, then in either instance, we may extend the term of this Agreement for such period of time as is necessary to provide you with either reasonable time to correct deficiencies or the one hundred eighty (180) day notice of our refusal to grant a successor franchise required hereunder.”

11. Article 13.6 is amended by deleting the third sentence thereof in its entirety and deleting the phrase “and releases” from the fourth sentence thereof.

12. Article 14 is amended by adding a new Article 14.5 thereof, which shall read in its entirety as follows: “Notwithstanding any provision of Article 14 of this Agreement to the contrary, we will only terminate this Agreement for “good cause” as defined in Iowa Code 537A.10(7)(a). In addition, prior to our termination of this Agreement for good cause, we will provide you with written notice stating the basis for the proposed termination of this Agreement, and you shall be given a reasonable period of time determined in our sole discretion (which period shall be not less than 30 days nor more than 90 days) in which to cure your default, except with respect to certain defaults for which an opportunity to cure is not required pursuant to Iowa Code 537A.10(7)(c) (though if an opportunity to cure such default is otherwise provided by Article 14.2 of this Agreement, such cure period shall apply notwithstanding Iowa Code 537A.10(7)(c)).”

13. Article 17.13 is amended by replacing the words “State of Oklahoma” therein with the words “State of Iowa,” and by deleting all language thereof appearing after the word “principles.”

14. Article 17.14 is deleted in its entirety.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____

Printed Name: _____

Title: _____

Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____

Printed Name: _____

Title: _____

Dated: _____

INFORMATION REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the Code of Maryland Regulations, the disclosure document is amended as follows:

1. Items 17(c) and 17(m) are amended by adding the following statement to each: “Pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment or transfer of your Franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
2. Items 17(u), 17(v), 17(uu) and 17(vv) are amended by adding the following statement to each: “You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
3. Item 17 is hereby amended by adding the following at the end thereof: “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your Franchise.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment relates to franchises sold in Maryland and is intended to comply with the Maryland Franchise Registration and Disclosure Law and the Code of Maryland Regulations. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. Paragraph 12.4.6 of the Franchise Agreement is amended by adding the following to the end thereof: “provided, however, that to the extent that this Agreement is subject to the Maryland Franchise Registration and Disclosure Law, the provisions of this Paragraph 12.4.6 shall not apply.”

2. Article 13.6 of the Franchise Agreement is amended by adding the following to the end of the third sentence thereof: “provided, however, that to the extent that this Agreement is subject to the Maryland Franchise Registration and Disclosure Law, you and your owners shall not be required to execute any such general releases.”

3. Paragraph 15.10.10 of the Franchise Agreement is amended by adding the following to the end thereof: “provided, however, that to the extent that this Agreement is subject to the Maryland Franchise Registration and Disclosure Law, the provisions of this Paragraph 15.10.10 shall not apply.”

4. A new Paragraph 17.12.15 is hereby added to the Franchise Agreement, which shall provide as follows: “Notwithstanding any provision of this Article 17.12, you may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

5. Article 17.17 of the Franchise Agreement is hereby amended to add the following at the end thereof: “Notwithstanding anything in this Article 17.17 to the contrary, any claims you may have arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the date of this Agreement.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____

Title: _____
Dated: _____

INFORMATION REQUIRED BY 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 the Michigan Franchise Investment Law. 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 provisions 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 franchised 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 the state of Michigan. 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 franchisee 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor must, at the request of the franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §80C.01-80C.22 (“Minnesota Franchise Act”), and the Rules and Regulations of the Minnesota Commissioner of Commerce, the disclosure document is amended as follows:

1. Adding the following statement to the end of Item 5 -- Initial Fees -- Initial Franchise Fee:

“Concerning any franchise governed by Minnesota law, we will defer your payment of the initial franchise fee until the opening of your Salon.”

2. Adding the following statement after the “Estimated Initial Investment” chart set forth in Item 7 of the disclosure document:

“Concerning any franchise governed by Minnesota law, we will defer your payment of the initial franchise fee until the opening of your Salon.”

3. Adding the following information to amend Item 13 of the disclosure document:

“Concerning franchises governed by Minnesota law, we will adhere to requirements pursuant to Minn. Stat Sec. 80C.12, subdivision 1 (g) of the Minnesota Franchise Act that we protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the Marks, provided your use of the Marks is in accordance with the Franchise Agreement”

4. Adding the following information for Items 17 “b”, “c”, “e”, “f”, “g,” and “h” of the FDD:

“Concerning franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subdivisions 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days’ notice before termination of the Franchise Agreement (with 60 days to cure any deficiencies) and 180 days’ notice of our election not to renew the Franchise Agreement, and provide that consent to transfer of the franchise may not be unreasonably withheld. Notice of termination under Minnesota law is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (1) voluntary abandonment of the franchise relationship by the franchisee;
- (2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
- (3) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor’s trade name, trademark, service mark, logo type, or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

Minnesota law provides that no person may terminate or cancel a franchise except for “good cause.” “Good cause” is defined under Minnesota law as a failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed by the

franchisor, including, but limited to: (1) the bankruptcy or insolvency of the franchisee; (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (3) voluntary abandonment of the franchise business; (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logo type, or any other commercial symbol."

5. The following additional disclosure is inserted below the "Franchise Relationship" table set forth in Item 17 of the disclosure document:

"Notwithstanding any provision to the contrary set forth in this Item 17 or in the Franchise Agreement, Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minn. Stat Articles 80C.01-80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes."

6. Adding the following information to Items 17(u), 17(v), 17(w), 17(uu), 17(vv), and 17(ww) of the disclosure document:

"Minn. Stat Sec. 80C.21 and Minnesota Rule 2860.4400(JJ) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this disclosure document or the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minn. Stat. Chap. 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, provided that the foregoing shall not bar an exclusive arbitration clause."

Each provision of this addendum to the Disclosure Document is effective only to the extent, concerning such provision, that the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Disclosure Document.

AMENDMENT TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. §80C.01 - 80C.22 ("Minnesota Franchise Act") and the Rules and Regulations of the Minnesota Commissioner of Commerce, the parties agree to amend the Franchise Agreement as follows:

1. Article 3.1 of the Franchise Agreement is hereby amended to add the following sentence to the end thereof:

"If your Franchise is governed by Minnesota law (including without limitation the Minnesota Franchise Act), we shall defer your payment of the initial franchise fee described in this Article 3.1 until the opening of your Salon in accordance with Article 2 of this Agreement."

2. Article 5.3 of the Franchise Agreement is hereby amended to add the following sentence to the end thereof:

"Notwithstanding the foregoing, to the extent required by Minnesota law, we will adhere to requirements pursuant to Minn. Stat. Sec. 80C.12, subdivision 1(g) of the Minnesota Franchise Act that we protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the Marks in accordance with this Agreement."

3. Article 12 of the Franchise Agreement is hereby amended by adding a new Article 12.13 thereof, which shall read in its entirety as follows:

"No requirement that you execute a general release set forth in this Article 12 shall relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchise Act."

4. Article 13 of the Franchise Agreement is hereby amended by adding a new Article 13.7 thereof, which shall read in its entirety as follows:

"No requirement that you execute a general release set forth in this Article 13 shall relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchise Act."

5. Article 15 of the Franchise Agreement is hereby amended by adding a new Article 15.12 thereof, which shall read in its entirety as follows:

"No requirement that you execute a general release set forth in this Article 15 shall relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchise Act."

6. Article 13 of the Franchise Agreement is hereby amended by adding a new Article 13.8 thereof, which shall read in its entirety as follows:

"Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. Minn. Stat. §80C.14 (subdivisions 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 of non-renewal of this Agreement, and provides that consent to transfer of the franchise may not be unreasonably withheld. Notice of termination under Minnesota law is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (1) voluntary abandonment of the franchise relationship by the franchisee;
- (2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
- (3) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type, or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

Minnesota law provides that no person may terminate or cancel a franchise except for "good cause." "Good cause" is defined thereunder as a failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed by the franchisor, including, but limited to: (1) the bankruptcy or insolvency of the franchisee; (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (3) voluntary abandonment of the franchise business; (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logo type, or any other commercial symbol.

Notwithstanding anything in this Article 13 to the contrary, we will comply with Minn. Stat §80C.14 (subdivisions 3, 4, and 5) which 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."

7. Article 14 of the Franchise Agreement is amended by adding a new Article 14.5 thereof, which shall read in its entirety as follows:

"Minnesota law provides franchisees with certain termination, non-renewal and transfer rights. Minn. Stat §80C.14 (subdivisions 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 of nonrenewal of this Agreement, and provides that consent to transfer of the franchise may not be unreasonably withheld. Notice of termination under Minnesota law is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (1) voluntary abandonment of the franchise relationship by the franchisee;
- (2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
- (3) failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type, or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

Minnesota law provides that no person may terminate or cancel a franchise except for “good cause.” “Good cause” is defined thereunder as a failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed by the franchisor, including, but limited to: (1) the bankruptcy or insolvency of the franchisee; (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (3) voluntary abandonment of the franchise business; (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor’s trademark, trade name, service mark, logo type, or any other commercial symbol.

Notwithstanding anything in this Article 14 to the contrary, we will comply with Minn. Stat §80C.14 (subdivisions 3, 4, and 5) which 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 nonrenewal of the Franchise Agreement.”

8. Article 17.17 of the Franchise Agreement is amended by deleting the words “one (1) year” and replacing such deleted phrase with the words “three (3) years.”

9. Article 17 of the Franchise Agreement is amended by adding a new Article 17.28 thereof, which shall read in its entirety as follows:

“Minnesota Statutes, Article 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Agreement can abrogate or reduce any of Franchisee’s rights as provided for in the Minnesota Franchise Act or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the State of Minnesota.”

10. Each provision of this Amendment shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____

Title: _____
Dated: _____

INFORMATION REQUIRED BY THE STATE OF NEW YORK

This addendum to the disclosure document relates to franchises sold in the State of New York and is intended to comply with New York General Business Law, Article 33, Articles 680 through 695 (the “New York Law”), and the regulations and administrative policies promulgated thereunder.

1. Item 3 of the disclosure document is amended by the addition of the following at the end thereof:

“Neither we, our predecessor, nor any person identified in Item 2:

A. Has an administrative, criminal, or civil action pending against that person alleging: a felony; a violation of a franchise, anti-trust or securities law; fraud, embezzlement, fraudulent conversion misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the Franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within a ten (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, anti-trust, or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. 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 practices 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 associations 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 effecting a license as a real estate broker or sales agent.”

2. We represent that this disclosure document does not knowingly omit any material fact or contain any untrue statement of a material fact.

3. Item 4 of the disclosure document is deleted in its entirety and replaced with the following: “No person or entity previously identified in Items I or 2 of this disclosure document has during the IO year period immediately before the date of this disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) been a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under

the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.”

4. Item 5 of the disclosure document is amended by adding the following language to the end of the subheading entitled “Initial Franchise Fee”:

“We will use the initial franchise fee to cover our costs associated with fulfilling our obligations under the Franchise Agreement and to cover other overhead costs and expenses.”

5. The following is added after the chart entitled “The Franchise Relationship”:

“Notwithstanding the foregoing (including any choice of law provision) or anything in this disclosure document or the Franchise Agreement to the contrary, to the extent that your Franchise is subject to the New York General Business Law Article 33, Articles 680 through 695 (the “New York Law”), we will not require you to (i) waive compliance with any provision of New York Law or (ii) assent to any release, assignment, novation, waiver or estoppel which would relieve any person from any duty or liability imposed by the New York Law.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the New York Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

This Amendment relates to franchises sold in New York and is intended to comply with the New York General Business Law, Article 33, Articles 680 through 695 (the “New York Law”). In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. Article 17.13 of the Franchise Agreement is amended by adding the following to the end thereof:

“The foregoing should not be considered a waiver of any right that either we or you may have under the General Business Law of the State of New York, Article 33, or any rule or regulation promulgated thereunder.”

2. The Franchise Agreement is hereby amended by adding a new Article 17.28, which shall read in its entirety as follows:

“Notwithstanding anything in this Franchise Agreement to the contrary, to the extent that your Franchise is subject to the New York General Business Law Article 33, Articles 680 through 695 (the “New York Law”), we will not require you to assent to any release, assignment, novation, waiver or estoppel which would relieve any person from any duty or liability imposed by the New York Law.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

INFORMATION REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the disclosure document relates to franchises sold in the State of North Dakota and is intended to comply with the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., and the regulations and administrative policies promulgated thereunder.

1. Item 17 of the disclosure document is amended by the addition of the following:

(a) Items 17(c) and 17(m) are amended by adding the following statement to each:

“Concerning any Franchise sold in the State of North Dakota, we cannot require you to sign a release as a condition to renewal or transfer of your Franchise. In addition, we cannot require you to sign a general release as a condition to renewal or transfer of your Franchise.”

(b) Items 17(u), 17(v), 17(uu) and 17(vv) are amended by adding the following statement to each:

“Concerning any Franchise sold in the State of North Dakota, we cannot require you to agree in advance to mediate or arbitrate disputes at a location that is remote from the site of your business or agree to litigation in a forum outside the State of North Dakota.”

(c) Items 17(w) and 17(ww) are amended by adding the following statement to the end thereof:

“Concerning any Franchise sold in the State of North Dakota, North Dakota law shall apply.”

(d) Items 17(x) and 17(xx) are amended by adding the following statement to the end thereof:

“Concerning any Franchise sold in the State of North Dakota, we cannot require you to consent to any waiver of your rights to a trial by jury.”

(e) Items 17(i), 17(m), and 17(q) are amended by adding the following to the end of each:

“The Franchise Agreement contains covenants not to compete which extend beyond the termination or expiration of the Franchise. These covenants may not be enforceable under N.D.C.C. § 9-08-06.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

This Amendment relates to franchises sold in North Dakota and is intended to comply with the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. Paragraph 12.4.6 of the Franchise Agreement is amended by adding the following to the end thereof: “provided, however, that to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., the provisions of this Paragraph 12.4.6 shall not apply.”
2. Article 13.6 of the Franchise Agreement is amended by adding the following to the end of the second sentence thereof: “provided, however, that to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., you and your owners shall not be required to execute any such general releases.”
3. Article 15.5 of the Franchise Agreement is amended by adding a new Paragraph 15.5.3 thereto that shall provide as follows: “Notwithstanding any provision of this Article 15.5 to the contrary, to the extent that your Franchise is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., the covenants not to compete set forth in this Article 15.5 may not be enforceable under N.D.C.C. § 9-08-06.”
4. Article 17.9 of the Franchise Agreement is amended to read in its entirety as follows: “In accordance with the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., in any action brought by us to enforce the provisions of this Agreement against you, the prevailing party in such action shall be entitled to recover all costs and expenses (including attorney’s fees) incurred with respect to such enforcement action.”
5. Paragraph 17.12 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Paragraph 17.12 to the contrary, to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., we cannot require you to agree in advance to mediate or arbitrate disputes at a location that is remote from the site of your Business. Therefore, the parties shall agree to arbitration at a location that is mutually agreeable to both parties. If the parties cannot agree on a location for arbitration proceedings, the location will be determined by the arbitrator; provided, however, that such determination must be consistent with the aforementioned requirements of the North Dakota Franchise Investment Law.”
6. Article 17.13 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Article 17.13 or otherwise in this Agreement to the contrary, North Dakota law shall govern this Agreement.”
7. Article 17.14 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Article 17.14 or otherwise in this Agreement to the

contrary, to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., we cannot require you to agree in advance to litigation in a forum outside the State of North Dakota.”

8. Article 17.15 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Article 17.15 or otherwise in this Agreement to the contrary, to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., we cannot require you to consent to a waiver of your right to trial by jury or require you to consent to a waiver of exemplary or punitive damages.”

9. Article 17.17 of the Franchise Agreement is deleted in its entirety.

10. Article 17.12.5 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Article 17.12.5 or otherwise in this Agreement to the contrary, to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., we cannot require you to consent to a waiver of exemplary or punitive damages.”

11. Article 17.12.6 of the Franchise Agreement is amended by adding the following to the end thereof: “Notwithstanding anything in this Article 17.12.6 or otherwise in this Agreement to the contrary, to the extent that this Agreement is subject to the North Dakota Franchise Investment Law, N.D.C.C. § 51-19-01 et. seq., the statute of limitations applicable under North Dakota law will apply.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

INFORMATION REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Franchise Investment Act of the State of Rhode Island, the disclosure document is amended as follows:

1. Items 17(u), 17(v), 17(w), 17(uu), 17(w), and 17(ww) are each amended by adding the following to end thereof: “Pursuant to § 19-28.1-14 of the Franchise Investment Act of the State of Rhode Island, a provision in a franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island or requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Franchise Investment Act of the State of Rhode Island.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Franchise Investment Act of the State of Rhode Island are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND

This Amendment relates to franchises sold in Rhode Island and is intended to comply with the Franchise Investment Act of the State of Rhode Island. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. A new Paragraph 17.12.15 is hereby added to the Franchise Agreement, which shall provide as follows: “Notwithstanding any provision of this Article 17.12, pursuant to §19-28.1-14 of the Franchise Investment Act of the State of Rhode Island, to the extent this Article 17.12 restricts jurisdiction or venue to a forum outside of Rhode Island, this Article 17.12 is void with respect to a claim otherwise enforceable under the Franchise Investment Act of the State of Rhode Island.”

2. Article 17.13 of the Franchise Agreement is hereby amended to add the following at the end thereof: “Notwithstanding any provision of this Article 17.13, pursuant to §19-28.1-14 of the Franchise Investment Act of the State of Rhode Island, this Article 17.13 is void with respect to a claim otherwise enforceable under the Franchise Investment Act of the State of Rhode Island.”

3. Article 17.14 of the Franchise Agreement is hereby amended to add the following at the end thereof: “Notwithstanding any provision of this Article 17.14, pursuant to §19-28.1-14 of the Franchise Investment Act of the State of Rhode Island, to the extent this Article 17.14 restricts jurisdiction or venue to a forum outside of Rhode Island, this Article 17.14 is void with respect to a claim otherwise enforceable under the Franchise Investment Act of the State of Rhode Island.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____

Printed Name: _____

Title: _____

Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____

Printed Name: _____

Title: _____

Dated: _____

INFORMATION REQUIRED BY THE STATE OF SOUTH DAKOTA

In recognition of the requirements of the South Dakota Franchise Investment Law (the “Franchise Investment Law”), the disclosure document is amended as follows:

1. Article 37-5B-26(8) of the Franchise Investment Law provides that a franchisor is not permitted to disclaim or require a franchisee to waive reliance on any representation made in the disclosure document or in its exhibits or amendments. Therefore, Item 17(t) of the disclosure document is amended to include “, this disclosure document” after “Manuals” therein.

2. Article 37-SB-21 of the Franchise Investment Law provides that any condition, stipulation, or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by the Franchise Investment Law or a rule or order promulgated thereunder is void. Therefore, the following additional disclosure is inserted below the “Franchise Relationship” table set forth in Item 17 of the disclosure document:

“Concerning any franchise sold in the State of South Dakota, any provision of the Franchise Agreement requiring you to waive our compliance with, or relieving us of any duty or liability imposed by, or waiving any right provided by the South Dakota Franchise Investment Law is void with respect to such waiver.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the South Dakota Franchise Investment Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF SOUTH DAKOTA

This Amendment relates to franchises sold in South Dakota and is intended to comply with the South Dakota Franchise Investment Law. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. To the extent that Article 17.18 of the Franchise Agreement conflicts with or is unenforceable under the South Dakota Franchise Investment Law, Article 17.18 of the Franchise Agreement is amended to add “, the Franchise Disclosure Document” after “Manuals” in the first sentence thereof.

2. Article 17.13 of the Franchise Agreement is hereby amended by adding the following language to the end thereof: “Notwithstanding anything in this Agreement to the contrary, any provision of this Agreement requiring you to waive our compliance with, or relieving us of any duty or liability imposed by, or waiving any right provided by the South Dakota Franchise Investment Law is void with respect to such waiver.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

INFORMATION REQUIRED BY THE COMMONWEALTH OF VIRGINIA

This addendum to the disclosure document relates to franchises sold in the Commonwealth of Virginia and is intended to comply with the franchise laws of the Commonwealth of Virginia and the regulations and administrative policies promulgated thereunder.

1. Item 5 of the disclosure document is hereby amended to add the following language: “The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.”

2. The “Summary” section of Item 17(h) of the disclosure document is hereby amended by adding the following language: “Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement 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.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Commonwealth of Virginia franchise laws and the regulations and administrative policies promulgated thereunder are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

This Amendment relates to franchises sold in the Commonwealth of Virginia and is intended to comply with the franchise laws thereof and the regulations and administrative policies promulgated thereunder. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. A new Article 14.5 is added to the Franchise Agreement, which shall provide in its entirety as follows:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Article 14 do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, such provision may not be enforceable.”

2. A new Article 18.4 is added to the Franchise Agreement, which shall provide in its entirety as follows:

“Deferred Payment. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under this Agreement.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WASHINGTON

This addendum relates to franchises sold in the State of Washington and is intended to comply with the franchise laws thereof and the regulations and administrative policies promulgated thereunder. In consideration of the execution of the Franchise Agreement, the parties agree as follows:

1. The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this addendum.

GLO Tanning Franchise LLC

By: _____

Printed Name: _____

Title: _____

Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____

Printed Name: _____

Title: _____

Dated: _____

INFORMATION REQUIRED BY THE STATE OF WISCONSIN

In recognition of the requirements of the Wisconsin Fair Dealership Law (the “Dealership Law”), the disclosure document is amended as follows:

1. Article 135.03 of the Dealership Law provides that a franchisor cannot terminate, cancel, fail to renew, or substantially change a franchise agreement without good cause. Therefore:

Items 17(b), 17(c), 17(e), and 17(i) of the disclosure document are amended by adding to each item the following language: “Concerning any franchise sold in the State of Wisconsin, your franchise will not be terminated or canceled, nor will we fail to renew your franchise, without good cause.”

2. Article 135.04 of the Dealership Law requires that in certain circumstances a franchisee must receive ninety (90) days written notice of termination, cancellation, or non-renewal of the franchise, stating all the reasons for such termination, cancellation, or non-renewal, and sixty (60) days in which to rectify any claimed deficiencies. Therefore:

Items 17(b), 17(c), 17(e), and 17(i) of the disclosure document are amended by adding to each item the following language: “Concerning any franchise sold in the State of Wisconsin, to the extent required under Wisconsin law, we will provide you at least 90 days written notice of any termination, cancellation, or non-renewal of your franchise, stating all of the reasons for such termination, cancellation or non-renewal. To the extent required under Wisconsin law, you will then have at least 60 days in which to rectify any claimed deficiencies.”

3. Items 17(w) and 17(ww) of the disclosure document are amended by adding the following language:

“Concerning any franchise sold in the State of Wisconsin, to the extent that any provision of the Franchise Agreement conflicts with the Wisconsin Fair Dealership Law, the Wisconsin Fair Dealership Law will control.”

Each provision of this addendum to the disclosure document is effective only to the extent that with respect to such provision, the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently without reference to this disclosure document.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF WISCONSIN

This Amendment relates to franchises sold in Wisconsin and is intended to comply with the Wisconsin Fair Dealership Law. In consideration of the execution of the Franchise Agreement, the parties agree to amend the Franchise Agreement as follows:

1. The Franchise Agreement is amended by adding a new Article 13.7 thereof which shall read in its entirety as follows: "Notwithstanding anything in this Article 13 to the contrary, we will not refuse to grant you a successor franchise without good cause. Furthermore, to the extent required by the Wisconsin Fair Dealership Law, we will provide you at least 90 days written notice of our decision not to grant you a successor franchise, and to the extent required under Wisconsin law, you will then have at least 60 days in which to rectify any claimed deficiencies (unless a larger number of days is otherwise provided herein)."

2. The Franchise Agreement is amended by adding a new Article 14.5 thereof which shall read in its entirety as follows: "Notwithstanding anything in this Article 14 to the contrary, we will not terminate this Agreement without good cause. Furthermore, to the extent required by the Wisconsin Fair Dealership Law, we will provide you at least 90 days written notice of our decision to terminate this Agreement, and to the extent required under Wisconsin law, you will then have at least 60 days in which to rectify any claimed deficiencies (unless a larger number of days is otherwise provided herein)."

3. Article 17.13 of the Franchise Agreement is hereby amended by adding the following language to the end thereof: Notwithstanding anything in this Agreement to the contrary, to the extent that any provision of this Agreement conflicts with the Wisconsin Fair Dealership Law, the Wisconsin Fair Dealership Law shall control."

IN WITNESS WHEREOF, the parties have executed this Amendment to the Franchise Agreement on the same day that the Franchise Agreement was executed.

GLO Tanning Franchise LLC

By: _____
Printed Name: _____
Title: _____
Dated: _____

[OWNER CORPORATION, PARTNERSHIP OR OTHER BUSINESS ENTITY]

By: _____
Printed Name: _____
Title: _____
Dated: _____

GLO TANNING
EXHIBIT F
TO THE DISCLOSURE DOCUMENT
CONFIDENTIALITY AGREEMENT
[ATTACHED]

CONFIDENTIALITY AGREEMENT

This is a Confidentiality Agreement (this “Agreement”) dated as of _____, 20____, executed in favor of GLO Tanning Franchise, LLC, an Oklahoma limited liability company (“GLO”) by the undersigned tanning salon operator/potential tanning salon operator (“Restricted Party”).

Recitals

WHEREAS, GLO offers tanning salon franchises featuring tanning services, tanning equipment, skin care products and beauty products, together with related services, products, merchandise, and accessories under the GLO TANNING brand; and

WHEREAS, the Restricted Party wishes to receive certain criteria and other Confidential Information (as defined below) concerning the GLO TANNING brand; and

WHEREAS, GLO desires to protect the Confidential Information that GLO provides to the Restricted Party and requires that all operators that receive any information from GLO execute this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definition of Confidential Information. For purposes of this Agreement, the term “Confidential Information” shall mean all information, whether written or oral, that may be disclosed or made available by GLO, its officers, employees, shareholders, directors, agents, servants, representatives, parents, subsidiaries, affiliates, successors or assigns to the Restricted Party, including, but not limited to: (a) criteria and other guidelines to become an operator of the GLO TANNING brand; (b) technical, financial, commercial or other information that relates to the business, financial affairs, methods of operation, accounts, transactions or products, proposed transactions or proposed products, intellectual property, and techniques, vendors and clients; (c) information or data relating to the GLO TANNING system, operations, policies, procedures, techniques, business information, accounts or personnel; (d) information or data that is confidential or proprietary to a third party and that is in the possession, custody or control of GLO, its parents, subsidiaries or affiliates; and (e) all data, notes, summaries or other material derived from the information specified in (a) through (d) above.

2. Restricted Use. Restricted Party may use the Confidential Information received from GLO only to the extent necessary to evaluate either converting its salon(s) to the GLO TANNING brand or becoming an operator of GLO TANNING branded salon(s) (the “Permitted Purpose”).

3. Non-Disclosure of Confidential Information.

(a) Restricted Party, for itself and its respective affiliates, employees, agents, members, managers, owners, advisors, shareholders and directors, agree not to use any Confidential Information disclosed to it by GLO for any purpose other than for the

Permitted Purpose. Restricted Party shall not disclose or permit disclosure of any Confidential Information to any person other than officers, employees and agents of Restricted Party or its affiliates who are required to have the Confidential Information for the Permitted Purpose and who agree to be bound by the provisions hereof, with the Restricted Party remaining responsible for any breach of the provisions of this Agreement by such officers, employees, and agents of Restricted Party. Restricted Party agrees that it shall take all reasonable measures to protect the secrecy of and avoid disclosure or use of the Confidential Information (except for in the context of the Permitted Purpose) in order to prevent such Confidential Information from falling into the public domain or the possession of persons other than those persons authorized under this Agreement to have any such Confidential Information. Such measures shall include, but not be limited to, the highest degree of care that Restricted Party utilizes to protect its own Confidential Information of a similar nature, which shall be no less than reasonable care. Restricted Party agrees to notify GLO in writing of any actual or suspected misuse, misappropriation or unauthorized disclosure of Confidential Information which may come to Restricted Party's attention.

(b) Notwithstanding the above, Restricted Party shall have no liability to GLO with regard to any Confidential Information which Restricted Party can prove:

(i) was in the public domain at the time it was disclosed or has entered the public domain through no fault of Restricted Party;

(ii) was known to Restricted Party, without restriction, at the time of disclosure, as demonstrated by information in existence at the time of disclosure;

(iii) is disclosed with the prior written approval of GLO; or

(iv) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the Restricted Party shall provide prompt notice of such order or requirement to GLO to enable GLO to seek a protective order or otherwise prevent or restrict such disclosure.

4. **No Copies.** Restricted Party shall not reproduce any Confidential Information in any form without GLO's prior written consent. In addition, Restricted Party shall not decompile, disassemble or reverse engineer any such Confidential Information.

5. **Property of GLO.** Unless otherwise specified in writing, all Confidential Information as well as all documents and materials containing any Confidential Information shall remain the property of GLO. Upon GLO's request, Restricted Party shall deliver to GLO all documents and materials containing any Confidential Information or shall certify as to the destruction of all such materials.

6. **Non-Compliance.** Restricted Party acknowledges that its failure to comply with any of the terms of this Agreement will irreparably harm GLO's business, and that GLO will not have an adequate remedy at law in the event of such non-compliance. Therefore, the parties acknowledge and agree that GLO shall be entitled to obtain a court order in any court of competent jurisdiction against acts of non-compliance by Restricted Party of this Agreement,

without the posting of bond or other security, in addition to whatever other remedies it may have. The prevailing party in any action to enforce this Agreement shall be entitled to costs and fees (including attorney's fees and expert witness fees) incurred in connection with such action.

7. **Severability and Modification.** If any provision of this Agreement shall be held or declared to be illegal, invalid or unenforceable, such illegal, invalid or unenforceable provision shall not affect any other provision of this Agreement, and the remainder of this Agreement shall continue in full force and effect as though such provision had not been contained in this Agreement. If the scope of any provision in this Agreement is found to be too broad to permit enforcement of such provision to its full extent, the parties consent to judicial modification of such provision and enforcement to the maximum extent permitted by law.

8. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with the laws of Oklahoma, without regard to conflicts of law principles.

9. **Term.** Notwithstanding anything to the contrary, until an exception set forth in Article 3(b) applies, the Restricted Party hereby agrees to perpetually maintain the confidentiality of the Confidential Information.

10. **Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties. No rights or obligations under this Agreement may be assigned without the prior written consent of GLO. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

11. **Entire Agreement.** This Agreement constitutes the entire agreement between such parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the parties with regard to the subject matter hereof. Any and all other written or oral agreements existing between the parties hereto regarding the subject matter hereof are expressly canceled.

IN WITNESS WHEREOF, the Restricted Party has executed this Agreement as of the date set forth above.

RESTRICTED PARTY

By: _____
Printed Name: _____
Title: _____
Date: _____

GLO TANNING
EXHIBIT G
TO THE DISCLOSURE DOCUMENT
UNAUDITED FINANCIAL STATEMENTS

Glo Tanning Franchising, LLC
Profit & Loss Statement
For Year-Ended 12/31/2021

	Total
Franchise Fees Revenue	300,768.72
Bank Fees	(546.36)
Net Income	300,222.36

Statement of Financial Position
For Year-Ended 12/31/2021

Assets

Current Assets

First Fidelity Bank	10,222.36
Receivable from PAR Management	38,000.00
Total Current Assets	48,222.36

Liabilities & Equity

Current Liabilities

-

Owners' Equity

Retained Earnings	38,000.00
Net Income/(Loss)	300,222.36
Owners' Distributions	(290,000.00)
Total Owners' Equity	48,222.36

Total Liabilities & Equity	48,222.36
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GLO TANNING
EXHIBIT H
TO THE DISCLOSURE DOCUMENT
SAMPLE GENERAL RELEASE

Franchisee for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges GLO Tanning Franchise, LLC and its officers, employees, shareholders, directors, agents, servants, representatives, parents, subsidiaries, affiliates, successors and assigns (the “GLO Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Franchisee, by itself, on behalf of, or in conjunction with any other persons or entities, had, has or claims to have against the GLO Releasees including specifically, but not exclusively and without limiting the generality of the foregoing, any and all correspondence, representations, certifications, warranties, promises or acts made in reliance upon any one or more of the same, whether oral or written, or based in whole or in part on events occurring prior to the date of this Agreement, connected with or related to the Franchise Agreement.

I HAVE READ THE ABOVE AGREEMENT, WHICH CONTAINS A RELEASE, AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

FRANCHISEE

By: _____

GLO TANNING
EXHIBIT I
TO THE DISCLOSURE DOCUMENT
FRANCHISE DISCLOSURE DOCUMENT RECEIPTS
[ATTACHED]

**RECEIPT
GLO TANNING**

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT, THE AREA DEVELOPMENT AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE. MICHIGAN AND WASHINGTON REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST. NEW YORK LAW REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATED TO THE FRANCHISE RELATIONSHIP.

IF WE DO NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE APPROPRIATE STATE AGENCY IDENTIFIED ON EXHIBIT A.

The franchise seller offering the franchise is Onyi Odunukwe on behalf of GLO Tanning Franchise, LLC located at 12335 N. Rockwell Ave., Oklahoma City, OK, with an office number of (405) 708-63204. Our resident agent authorized to receive service of process is Eric Cavett, 12231 S May Ave., Oklahoma City, OK 73170.

The disclosure document issuance date is September 30, 2020.

I received a disclosure document that included the following Exhibits:

- A. STATE SPECIFIC POINTS OF CONTACT
- B. FRANCHISE AGREEMENT
 - EXHIBIT A OWNERSHIP ADDENDUM
 - EXHIBIT B OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS
 - EXHIBIT C COLLATERAL ASSIGNMENT OF LEASE
 - EXHIBIT D SECURITY AGREEMENT
- C. GLO REGISTERED AGENTS
- D. CONVERSION ADDENDUM
- E. STATE SPECIFIC ADDENDA

F. CONFIDENTIALITY AGREEMENT
G. CURRENT FRANCHISOR FINANCIAL STATEMENTS
H. SAMPLE GENERAL RELEASE
I. FRANCHISE DISCLOSURE DOCUMENT RECEIPTS

Individually and/or as an officer or partner of:

a _____ corporation/partnership/limited liability company

_____ Date

_____ Witness

FRANCHISEE'S COPY

**RECEIPT
GLO TANNING**

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT, THE AREA DEVELOPMENT AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF WE OFFER YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE. MICHIGAN AND WASHINGTON REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST. NEW YORK LAW REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR AT LEAST 10 BUSINESS DAYS BEFORE THE EXECUTION OF THE FRANCHISE OR OTHER AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATED TO THE FRANCHISE RELATIONSHIP.

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G. CURRENT FRANCHISOR FINANCIAL STATEMENTS
H. SAMPLE GENERAL RELEASE
I. FRANCHISE DISCLOSURE DOCUMENT RECEIPTS

Individually and/or as an officer or partner of:

a _____ corporation/partnership/limited liability company

_____ Date

_____ Witness

FRANCHISOR'S COPY